

EC explores aid and future links

West welcomes Baltics back into free world

By MARY DEJEVSKY IN MOSCOW AND ROBIN OAKLEY, POLITICAL EDITOR

THE West yesterday welcomed the Baltic states into the international community of independent nations as the Kremlin bowed to the inevitable and let them go free.

The formal recognition of Lithuania, Latvia and Estonia — 51 years after they were seized under a secret pact between Hitler and Stalin — was the first act of the Soviet Union's state council and the first tangible sign of the disintegration of a union once described as unbreakable and eternal.

Within hours, European foreign ministers met their Baltic counterparts in Brussels and pledged closer trade and economic ties, although they did not offer concrete promises of cash or of early EC membership. Japan joined more than 50 other nations in formally recognising the three countries, and America hinted at direct and indirect aid.

James Baker, the American

Secretary of State, will visit all three next Saturday after holding talks in Moscow most of next week. His assistant, Curtis Kamman, is already in Lithuania on a mission to work out the logistics of mutual diplomatic recognition, and he said America would establish embassies in each of the capitals soon.

The EC's external relations commissioner, Frans Andriessen, will go to Estonia on Sunday for talks with officials to assess aid needs. John Major yesterday urged the European Commission to send a further mission to the region to assess what sort of relationship should be established with the EC.

Mr Major is keen to widen Community membership and to press his fellow leaders to speed less time on deeper links between the existing twelve to hasten links with eastern Europe, the Baltic states and even some of the Soviet republics. Britain is already urging the speeding up

of association agreements with the former communist states of eastern Europe. Negotiations for such accords with Poland, Czechoslovakia and Hungary are fraught with snags, Bulgaria and Romania are also seeking associate status, and yesterday Estonia, Lithuania and Latvia joined the queue.

"We have expressed the desire of our people to become associate members of the European Community," the Estonian foreign minister, Lennart Meri said, and his Lithuanian counterpart added: "We are shifting from East to West. We are shifting towards the EC."

Jacques Delors, the European Commission president, hinted, however, that with such a heavy workload, the EC could do little for the Baltic states other than provide links to such organisations as the International Monetary Fund and the G24 group of industrialised nations. M Delors said the G24 aid programme for eastern and central Europe could quickly be extended to cover Latvia, Estonia and Lithuania.

"We're fully aware that we must give our Baltic friends a strong political signal," he said, "but as far as the economy is concerned, we must not lose sight of realities. We'll go very fast politically and as fast as we can economically."

John Major, promised to provide £400,000 in aid in 1993, and there was a hint that American aid might be on offer when Mr Baker goes to the region next week. Mr Kamman said on Thursday that he thought the approach to the Baltics would be similar to that to eastern Europe — and President Bush has already provided direct aid to Poland, Hungary, Czechoslovakia and Bulgaria.

Both the EC and the Kremlin said they would push for the Baltics to be accepted for United Nations membership. Recognition of the three countries' independence after a two-year campaign had been proposed to the new Soviet state council by the Kazakh leader, Nursultan Nazarbayev and seconded by President Gorbachev. The decision was unanimous and later announced by the Soviet foreign minister, Boris Yeltsin, who said: "These republics are now separate from the Soviet Union." By last, however, night no formal documents endorsing the decision had been issued to the republics.

The Estonian prime minister, Edgar Savisaar, made a surprise appearance at the meeting and he said afterwards: "Gorbachev congratulated me and wished us all success and happiness." Vytautas Landsbergis, the Lithuanian president, said that the unanimous decision to recognise the three states was a joyful and positive action, while the Latvian vice-president, Dainis Ivars, said it showed the old Soviet Union did not exist any more.

Anatoli Lieven page 12
Diary, page 12
Leading article, page 13

Full house as Placido plays the precincts

By ALAN HAMILTON

AFTER the perils of Pavarotti in the park, the pleasures of Placido in the precincts. The Prince of Wales, playing open-air theatrical impresario for the second time this summer, was assured of a full house and cool, dry air for his extravagant spectacle in aid of the Salisbury Cathedral spire fund last night.

Organisers spent an anxious day keeping a weather eye on the forecast, but the skies above Wiltshire remained reassuringly and gloriously unclouded. As a safety measure, Richard Branson, the entrepreneur, provided a free plastic mac for each of the 10,500 seats. With tickets costing between £25 and £100, it was no more than one would expect.

In a grandstand assembled from four miles of scaffolding on the West Green, between the cathedral west front and Edward Heath's house in the Close, the audience gathered to hear an exor-

dinary eclectic cast of stars, from Placido Domingo and Jessye Norman to Phil Collins and Charlton Heston, perform a foot-stomping selection of hits from the classical and popular repertoires. The programme was chosen largely by the prince, and most of the artists were appearing at his invitation.

From Elgar's setting of the national anthem, through Gershwin, Tchaikovsky, Strauss and Verdi, the programme provided the familiarity of a singalong. Mr Heston, who has portrayed Moses on the silver screen, read extracts from the original script in Deuteronomy, while Kenneth Branagh, with the aid of the musical score and giant images projected on the cathedral west front by a machine invented for the bicentenary celebrations of the French Revolution, performed highlights from his *Henry V*, a film the prince has seen at least three times.

Backstage, technicians accompanied

Handel's music for the royal fireworks with two tons of decorative explosives, and much of the rest of the programme with a light and laser display, using searchlights so powerful that Civil Aviation Authority permission had to be secured lest they lured aircraft to an unexpected destination.

The Prince and Princess of Wales arrived by helicopter. Before the concert, the prince mounted a builder's hoist and was taken half way up the tallest spire in England to inspect restoration work on the 6,400 tons of stonework that reaches 404ft into the air.

The Prince, who is patron of the spire appeal, hoped that the concert would put the fund within sight of its £6.5 million target, of which it is still more than £1 million short. Last night's ticket sales will gross £850,000, and the organisers hope that the publicity surrounding the event will generate a final flood of donations.



Reunion steps: Mrs Leyla Gordievsky and her daughter Anna, aged 10, arriving at Heathrow last night for their long-awaited reunion with the former KGB spy

KGB spy reunited with his family

By RAY CLANCY

OLEG Gordievsky, the former KGB spy who defected to the West six years ago, is hoping to resume a family life today after being reunited with his wife and daughters at Heathrow last night.

The reunion, he said, was a personal triumph after years of separation during which he lived in hiding and adopted a disguise every time he appeared in public.

His wife Leyla endured round-the-clock surveillance by the KGB in Moscow. Though he could talk to her by telephone in recent months, he could never tell his children that it was their daddy speaking, for fear of reprisals from communist hardliners.

"Our separation has been so long, dramatic and sad," he said. "There was a real threat that we would never be able to see each other again. We have been fighting for this for so long. It is a triumph for me, but mostly it is my wife's victory. It is her moment."

Mr Gordievsky, the former London office head for the KGB who defected after more than ten years as a double agent, said before the meeting that he would probably not recognise his daughters Maria, aged 12, and Anna, aged ten.

"They were just babies when I left. They will have grown up a lot."

Carrington talks will go ahead despite fighting

By TOM WALKER IN BRUSSELS AND OUR FOREIGN STAFF

EUROPEAN Community foreign ministers last night decided to proceed with today's Yugoslavian peace conference in The Hague, even though fighting continued to rage in Croatia.

Stipe Mesic, the Yugoslav president, said he was "not too optimistic" about the conference's chances of restoring peace as 17 deaths were reported across Croatia. He said: "The civilian population is again coming under fire from all kinds of weapons. That is why I do not feel we can succeed in achieving much in The Hague tomorrow."

Clashes continued around Nova Gradiska, near where Serbian guerrillas and Yugoslav army units have closed the Zagreb-Belgrade motorway, the last road link between central and eastern Croatia. "Several tank shells have landed on the suburbs of this town," Zagreb radio reported. It said Croatian forces tried to dislodge guerrillas and troops blocking the motorway. Six

people were hurt in fighting at Urukani near by and the town of Vinkovci in eastern Croatia came under mortar fire which landed near a hospital.

The Dutch foreign minister, Hans van den Broek, who chaired yesterday's EC foreign ministers' meeting in Brussels, left early to meet Lord Carrington, the conference chairman, and Jacques Delors, the European Commission president, in The Hague. Ante Markovic, the federal prime minister, Alija Izetbegovic, the Bosnian president, and Mr Mesic arrived in The Hague yesterday afternoon. Leaders of the other republics were due later last night.

EC officials said originally that the conference would begin only when fighting stopped. But Mr van den Broek said: "If we cannot silence the guns, let not the guns silence us."

Lord Carrington, the former foreign secretary, said before leaving: "I think the plenary can begin... I do not think they will miss that opportunity. We then have to see where we can go from there."

The EC's special envoy to Yugoslavia, Henry Wijnandts, sent a message to Mr van den Broek early yesterday saying the atmosphere in Yugoslavia was stable enough for the conference to begin.

Renewed fighting, page 7

WEEKEND TIMES

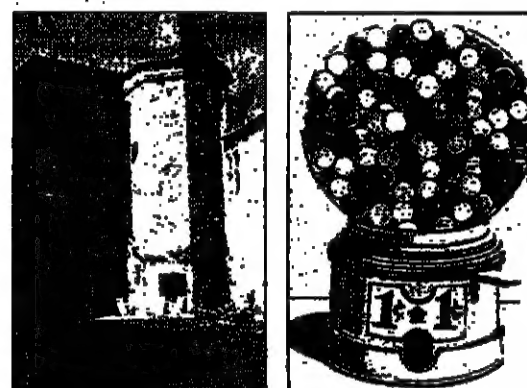
IN COLOUR TODAY

Today *The Times* launches an extra 16-page colour section, packed with ideas for the weekend



Get away for the weekend as we launch our Best of Britain series with a visit to Burghley House (above left), including places to stay and the best local walks, not to mention a famed course for horses

Under the mask: this autumn's Japan exhibition is the biggest mounted in Britain, but who are these enigmatic people and can they really teach us anything? Joe Joseph, former Tokyo resident who lived to tell the tale... tells the tale



An Englishman's castle was a Frenchman's home: £100,000 goes a long way in the Loire, a longish way in Sydney, about far enough to swing a cat in New York. Around the property world on six figures

Other Weekend valuables include Pop Art (above right), a Sixties fad now so respectable even the Royal Academy lets it in. If that isn't for you, check out what's hot and what's not in our entertainment guide

And not forgetting: the award-winning *Saturday Review*, which asks whether sixth form girls are better off without boys, discovers the young Picasso, a flawed character en route to greatness, and solves the Ruth Rendell mystery with a few well-chosen questions

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Buoyant Major keeps open his election options

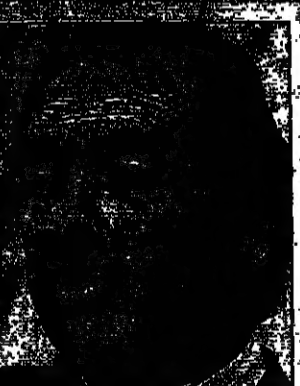
By PAUL WATKINS

JOHN Major yesterday showed his most optimistic face yet as he tried to keep control of the latest epidemic of general election fever.

The prime minister returned home from his visit to the Far East to declare that Britain was moving out of the recession towards a more stable climate and would reach the government's 4 per cent inflation target.

At the same time he disclosed a busy personal schedule that seems certain to keep him in the spotlight over the next few weeks, and his cabinet colleagues delivered speeches attacking the Labour party and hailing the alleged rise in economic optimism among voters. The developments, accompanied by a further call from Labour leaders for an immediate election, served to maintain the electioneering atmosphere.

Mr Major said in an independent Television News interview that he was "in no particular rush", but it is clear



Cunningham: Labour wants election now

that he and his colleagues are involved in a delicate balancing act. The prime minister made clear that November had not been ruled out when he told ITN: "I will have the verdict of the country at some stage before next June. Whether it happens to be this autumn or next spring is not really material." November is really now a possibility and the public and private efforts to defuse speculation about November are designed to avoid accusations of a retreat if Mr Major decides against the autumn.

That will be Labour's tactic. Yesterday John Cunningham, its campaigns co-ordinator, said Mr Major could not go on "running away forever" from an election. Labour wanted him to call one now.

Attempts by ministers to douse the November flames have not convinced the bookmakers. William Hill last night made November an even money chance for the date.

Major's tour, page 2

Walker Cup stays in US

● Golf: The United States regained the Walker Cup, by beating Great Britain and Ireland 14-10 in the two-day match ending at Portmarnock yesterday. Page 36

● Tennis: Martina Navratilova beat Steffi Graf in the US Open semi-final, and Jimmy Connors reached the men's semi-final. Pages 32-36

● Cricket: As Essex went to the top of the table, Ian Austin of Lancashire hit a century off 61 balls. Page 34

Arts	11
Births, marriages, deaths	14,15
Business	19,22
Classified	10,15
Court & social	14
Crosswords	15,18
Leading articles	13
Letters	13
Obituaries	14
Sport	31-36
TV & radio	16,17
Weather	18
Weekend Money	23-30



We raised the roof last night

Major shows off his style with stamina and goes for substance



Model Conservative: British Style magazine's view of how the prime minister might look if he shook off his grey image and turned himself into a fashion envoy for the nation.

A HECTIC week that has seen John Major move from holiday talks with President Bush at the summer White House through a Moscow in ferment to facing down the Chinese leaders on human rights in Peking has answered some questions about the prime minister's stamina.

If the fitness of his speech on his final day in Hong Kong left doubts whether he will develop the oratory to match his negotiating skills, the trip has demonstrated how the Major team is developing its own style and flavour. It has shown how circumstances have forced him, after just nine months in the job, into behaving more like a second-term prime minister.

First-term prime ministers, after the concentration on domestic issues that it has required to win an election normally stay concerned with those. Mr Major, who works easily with the foreign secretary, Douglas Hurd — not so long ago his leadership rival — might easily have stuck in that mould. Especially as he had made little impression in his own brief spell as foreign secretary. Instead,

Washington to Peking via Moscow in the throes of a collapsing Soviet Union... It has been a whirlwind tour for the prime minister and a crash course in statesmanship. But he is returning home to tackle a rather more daunting business, Robin Oakley writes

inheriting a Middle East war and fortuitously walking into the chairmanship of the G7 group of industrialised nations as Soviet communism reached its crisis, he has been forced to take a crash course in statesmanship.

His role in those events has not made Mr Major a world shaker. Most of his decisions have been solid and practical rather than visionary. But there have been achievements. President Bush might have allowed any guest to make the running at their joint press conference as Mr Major did in detailing the plan for aiding the Soviet Union. He would not have given every guest such a glowing tribute to his effective chairmanship of G7 and referred to an "extraordinarily special relationship" between

their two countries. In Moscow, Mr Major remained cool in the emotion of the moment and insisted that economic reform must still come before aid. Expressing the West's anxieties about the relationships to be forged between the centre and the republics, he warned those republics against setting up their own trade barriers. And he kept an eye on the neglected interests of Eastern Europe by urging that the food credits available from the EC should be spent with them.

In China, he knew the authorities who had been able to force his visit thanks to Hong Kong's need for a new airport, would seek to make propaganda from it. But he won concessions on Hong Kong's final court of appeal and neutralised any Chinese propaganda by his tough line on

human rights. The only blip came at the end in Hong Kong, where he failed to offer any extension of democracy and where he was grumpy with those who questioned whether he really had achieved anything by getting China to reaffirm the 1984 joint agreement (he says he has because the Chinese will not now be able to question the agreement before 1997 on the ground that circumstances have changed).

Mr Major and his young entourage, in which Andrew Turnbull, his principal private secretary, and Gus O'Donnell, press secretary, both Treasury men, are key figures, have proved through a gruelling week that they are flexible and quick on their feet politically, whether it was the need to swap Confucian proverbs with an octogenarian Chinese leader or to fit in an extra meeting to cope with Mikhail Gorbachev's penchant for lengthy introductions.

There is a welcome lack of stuffiness about the team and those who encounter them for the first time realise that here is a prime minister who treats politics as a league table, not a cup final. He told

those who scoffed at his China trip "when you have responsibility you have to take action and not strike attitudes". He promised that what he was starting in China would go on. As the Gorbachev case in the Soviet Union had shown, "it is the unremitting, unrelenting continuance of pressure that often yields results".

The strength of conviction displayed in China confirmed a moral element in John Major's politics that was first glimpsed in his insistence, against the urgings of the establishment and the first instincts of the Americans, on setting up safe havens for the Kurds in Iraq. It also showed that Mr Major, forced to sit at high tables so frequently with the world's leaders, has learnt to trust his own instincts and be the boss, brushing aside the cautions of the old China hands around him and insisting on pressing the human rights issue with the Chinese.

Mr Major can close this week's diary with a grunt of satisfaction. But foreign affairs remain foreign affairs. Now he has to get back to the rather more daunting business of winning an election.

Crewman saved by split in stern of sunken trawler

By MICHAEL HORSNELL

A YOUNG survivor of the sinking of a trawler in the Western Approaches by a ship that failed to stop described yesterday how he swam to safety through a split in the stern.

He spoke as the transport department launched an enquiry into the incident in which two other men were presumed dead and the seamen's union spoke of its increasing concern for safety at sea. Marine accident investigators examined the Dutch chemical tanker *Jacobus Broeze* at Bristol yesterday.

Terry Freeman, aged 18, who was on his first trip in the *Margaret and William II* based in Newlyn, Cornwall, was rescued with two other men after they had drifted in a lifeboat for 22 hours, but hope was abandoned for two others.

At his home in Penzance, Mr Freeman said that he was asleep below deck in the stern of the 46ft trawler when she was cut in half in the collision.

"I am surprised I am here", he said. "When I woke up my cabin was full of water. Where we were hit there was a hole, and I went up through there. I did not think I was going to make it."

Mr Freeman and the two other survivors, Malcolm Nicholls, aged 40, the skipper, and Ian Hagues, aged 42, spent 15 minutes in the water before inflating the lifeboat. They set off a flare that the other vessel did not see and she "carried on going". Mr Freeman said: "We saw the stern of the ship, but could not see a name".

The young fisherman, who eventually was plucked from

the sea by a Royal Navy helicopter 80 miles northwest of Ushant, said that he feared he would never be rescued. "It was a nightmare."

Mr Hagues, the trawler's co-owner, said: "I saw something orange and thought it was a marker buoy. Then I looked again and said 'it's a boat, it's a boat'. I don't know how I got out. When I got into the lifeboat I fired off a flare immediately. But the ship just carried on. It was unbelievable."

Mr Nicholls described how he was on the vessel's bridge "when suddenly I turned and there was a ship — I just saw its bow".

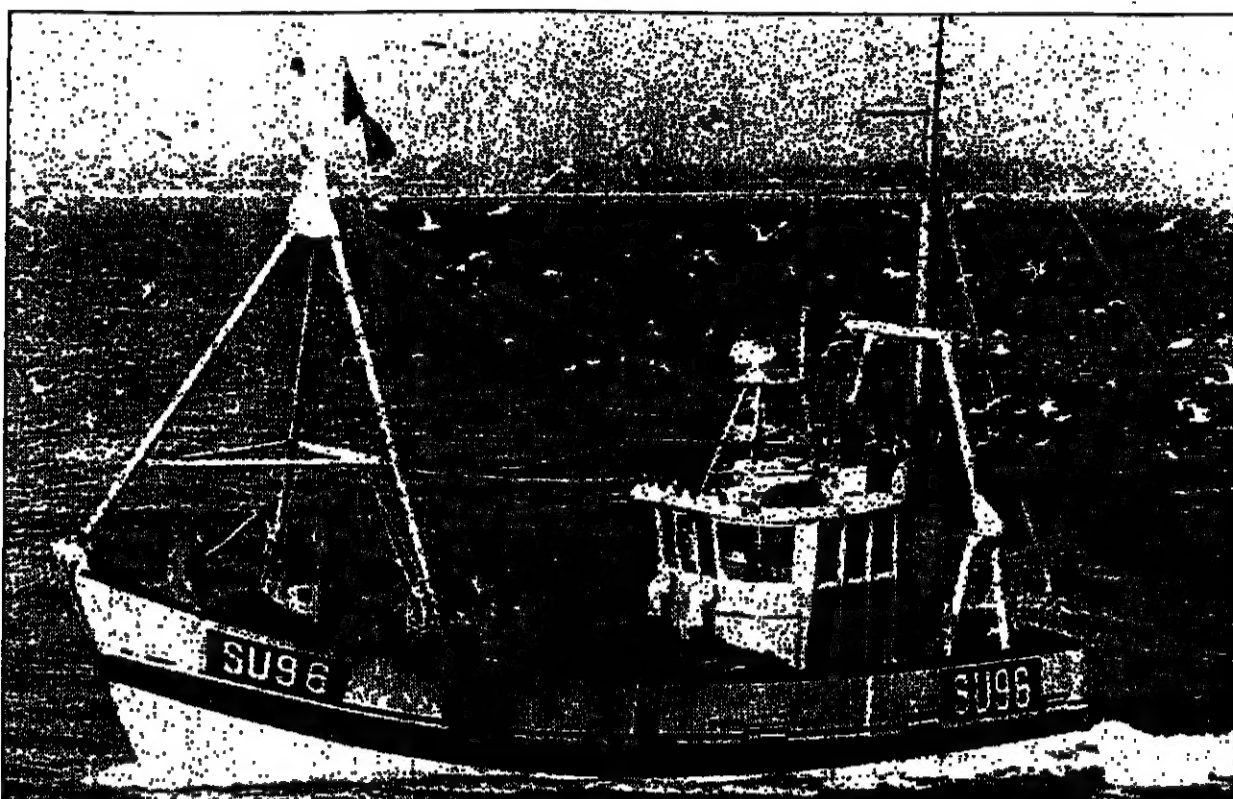
The missing Dennis Nicholls, aged 41, was married with a son aged 11 and he and his wife had four other children from previous marriages. William Brown, aged 22, was married with a son aged four and a baby daughter.

An air and sea search for Mr Nicholls and Mr Brown, both from Penzance, Cornwall, was called off by Falmouth coastguards late on Thursday. They were below deck when the trawler was hit from behind and failed to respond to shouts from the three survivors.

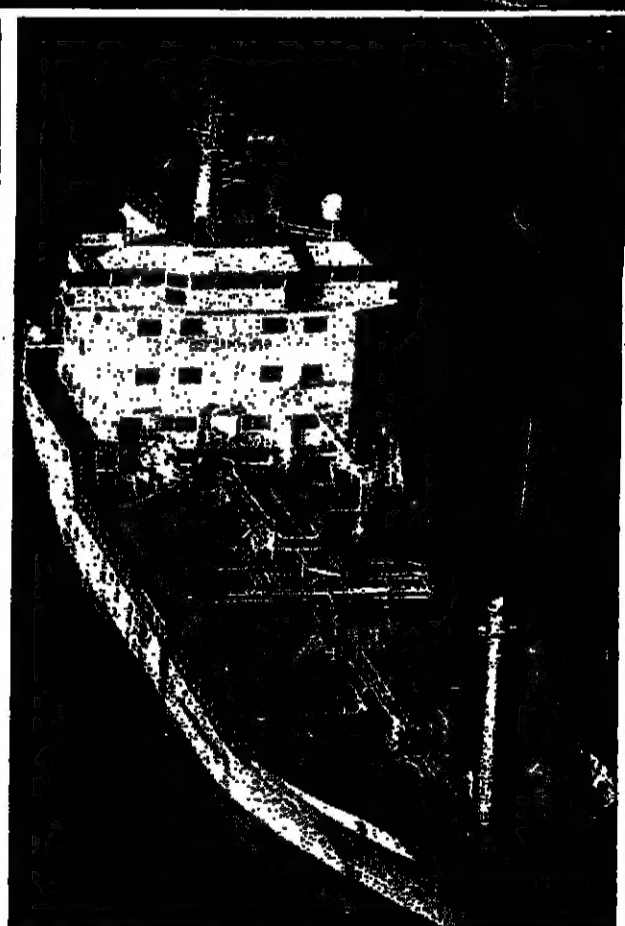
Transport department marine accident investigators questioned the crew of the Dutch tanker and examined paint marks on the ship's bow. The vessel had reported to Swansea coastguards on Thursday that she might have been in the area at the time of the collision on Wednesday evening.

The department said that an inspector had interviewed officers and crew from the Dutch vessel at Avonmouth Docks, Bristol, and examined paintwork to see if it came from the trawler. Survivors of the collision would be questioned later.

The Dutch ship's agents, Seaport Shipping, of Avonmouth, said that nobody at the firm was available for comment.



Collision at sea: the wrecked trawler *Margaret and William II* (top) with (above left) Terry Freeman, a survivor who swam to safety, and the Dutch tanker *Jacobus Broeze*



100mph joyrider gets two years

A joyrider who led a police helicopter and police cars on a 100mph chase was sentenced to two years' detention and banned from driving for two years at Oxford crown court yesterday.

Christopher Hope, aged 20, from Botley, Oxford, pleaded guilty to eight offences of taking vehicles without the owners' consent, one of reckless driving, four of driving without insurance and two of damaging cars.

Hope took a Vauxhall Astra car while staying at a probation hostel in Leamington Spa, Warwickshire, where he was staying after committing a series of similar offences, said Benjamin Gumpert, for the prosecution.

He drove at over 100mph, and over 90mph in built-up areas, when pursued by the helicopter and police cars. Two police cars and another car were damaged in the 45-minute chase, part of it on the M40 in Warwickshire. It ended when Hope crashed into a lamp post in Leamington Spa.

'Missing' sub turns up safe

An air and sea search involving 16 ships, seven submarines and 15 aircraft was launched yesterday after a Dutch royal navy submarine with 67 men on board was thought to have disappeared off northwest Scotland during a Nato anti-submarine warfare exercise. Last night, however, it emerged that the reason for the alert was the rising sun's glare that reflected off glass in a Dutch maritime patrol aircraft. The two crew thought it was a red flare.

The alarm was raised early yesterday when the "flare" was spotted about 90 miles north-east of Lewis. Vessels in the area were asked to report their positions but there was no reply from the *Porvis*, a Dutch 1,520-tonne diesel electric submarine taking part in the exercise. The *Porvis* surfaced later and launched a mock attack, unaware that the search was under way.

Rivals fall out

North West Television, which has outbid Granada by as much as £15 million in the Channel 3 licence auction, yesterday attacked the programme record of its rival, saying that *Coronation Street* alone could not justify awarding the licence to the lower bidder on grounds of exceptional quality. Phil Redmond, the creator of *Brookside* and *Grange Hill* and NWTV's chief executive, said the Independent Television Commission had no choice but to give his company the licence. Arts, page 11

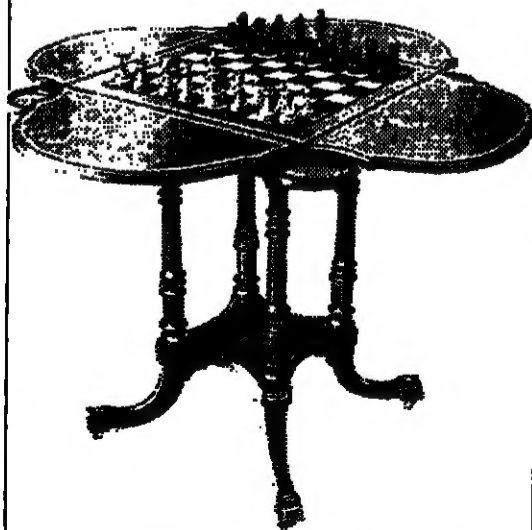
Spanish arrests

Spanish police are questioning a British bar owner and his Spanish wife about the disappearance of a British nurse last weekend, the British embassy said yesterday. Alexandra Lye, aged 27, went missing from a holiday flat in Agudalce, near Almeria, southeast Spain. Pools of blood were found outside the flat and on nearby stairs.

Arms sale call

Steps should be taken to make arms sales morally acceptable, Roman Catholic priests from England and Wales said yesterday. They voted at their annual conference in Birmingham for the creation of "a moral climate in which the sale of arms is seen as generally unacceptable", and called for any substantial arms transfer to take place only if it helped meet a genuine need for self-defence.

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Ashdown to steer clear of alliance-style euphoria

By SHEILA GUNN, POLITICAL CORRESPONDENT

PADDY Ashdown goes to Bournemouth this weekend for the Liberal Democrats' final conference before the next general election having transformed his party's fortunes over the past year.

Gone is the destructive naval gazing of the past four years. The party faithful meet with self-confidence and a sense of identity intent on "changing Britain".

In spite of the latest poll rating of 19.5 per cent, compared with 8 per cent at last year's conference, Mr Ashdown has made clear that he eschews the euphorics of the old alliance in the run-up to the 1987 general election. He will not tell his people in his speech on Thursday to "prepare for government".

He is also trying to avoid talk of electoral pacts, hung parliaments and David Owen. Instead his strategy, he says, is high risk, even dangerous, and radically different from that of the Tories, Labour and the old alliance parties. He will ask his party to endorse policies which, he will assert, represent the only distinctive alternative to the Tories to fill the vacuum left by Labour.

At a rally on Monday, he will unveil his detailed blueprint for revolutionising the

education system, repeating his commitment to add 1p to income tax to pay for it, if necessary.

In the conference hall, the party will debate the strongly pro-EC proposals outlined in *Citizens Europe*. It includes calls for the establishment of EC citizenship, greater powers for the community to draw up foreign, security and defence policies, and the early introduction of a single currency. The economy will dominate Tuesday's business, seeking approval for the recent white paper *Economics for the Future*.

Des Wilson, the party's campaigns director, will announce on Wednesday that all but a handful of constituencies have Liberal Democrat candidates in place. Otherwise the conference will concentrate on the *Changing the System* paper through electoral reform. On Thursday the conference will discuss the crime and policing green paper before the finale of Mr Ashdown's speech.

If approved during the week, the conference will dissolve having committed the party to energy taxes, decisions on interest rates, a federal Europe, ending mortgage tax relief, decentralising pay policy and bringing private services into British Rail.

Mr Ashdown predicts a rough ride for some of the latest ideas. But with his personal standing high and the process of fusing the old alliance parties complete, he is clearly banking on infusing the party faithful with his upbeat mood to cool any disputes. He is also bolstered by the events of the past year, which has seen the Liberal Democrats snatch both Eastbourne and Ribbles Valley from the Tories, and gain 300 seats in the local elections.

Ashdown: strategy will be high risk, even dangerous

Leading article, page 13

A Gainsborough rises in the east

By JOHN SHAW

A CHANCE walk through the park has led to the discovery of Thomas Gainsborough's only known view of Ipswich, which is now on offer to the town for £375,000. It was disclosed yesterday.

The picture is important both as an accurate topographical study in an age of largely idealised landscapes and as the only contemporary record of ponds used by Thomas Cobbold to supply water for his Cliff Quay brewery from 1746.

A public appeal will be launched early next month by the Friends of Ipswich Museum to buy the study. Donations have reached £6,000 and a further £1,000 has been pledged. Grants are being sought from the National Heritage Memorial Fund, the National Arts Collection fund, and the Victoria and Albert Museum, to cover a large part of the cost, but Barrie Hawtin, a member of the appeal office staff, expects that about £30,000 will still have to be raised in Suffolk.

The picture was identified by Norman Scarfe, a local historian, after a stroll through Holywells Park, Ipswich, last winter. The view showed a sequence of ponds up a hillside, which represented the medieval "holy wells". The scene was fresh in his mind when Thomas Agnew, the firm of art dealers in Old

Bond Street, contacted him to say it was not happy with the previous attribution of the scene, which was said to show Highgate Ponds. "I thought straight away that what was being described to me over the telephone were the ponds in Holywells Park which were still fresh in my mind," he said. "Gainsborough was living in the town at the time and when I went to see the picture I didn't really have any doubt."

He compared copies of the painting with contemporary maps and contacted other local historians, who confirmed his opinion. A windmill and two church towers in the picture were identified as local landmarks.

Hugh Belsey, curator of the Gainsborough House Museum at the painter's birth place in Sudbury, Suffolk, said he had heard about the picture being available some time ago and had contacted Ipswich immediately because he felt it would make more sense in the town collection. The museum already had a similar picture, bought last December.

Evelyn Joll, chairman of Thomas Agnew, said the cash had to be raised by the end of the year. "Ipswich is the obvious place for this picture to be. I am sure the owner will not take it away if they are only a few pounds short of the total by December 31."

Lawyer's daughter convicted of £400,000 bank plot

By LIN JENKINS

A LAWYER'S daughter who teamed up with one of her father's criminal clients was yesterday convicted of a £428,000 conspiracy against a bank and told that she could go to prison.

Emma Gittings, aged 25, of Baker Street, central London, was remanded on bail of £20,000 at Southwark crown court and will be sentenced next Friday. Judge John Hunter said there was a serious risk of a custodial sentence. Gittings wept as the jury found her guilty of conspiracy to steal, forgery and using a false passport.

Sally O'Neill, for the prosecution, said Gittings met Stephen Raymond, a criminal client of her father, when he was arrested and held at Aylesbury police station, Buckinghamshire, while she

was working as a clerk. When he escaped from Oxford prison in December 1989 he met her at the flat her father bought for her and entertained her to dinner. Under the spell of his "charm, humour and intellect", the relationship turned to romance over the next 11 months and she was drawn into the fraud, the court was told.

They planned to steal £428,000 from a medical student, the daughter of an American industrialist who had £750,000 in her British account. Posing as the girl, Susan Krimholtz, Gittings flew to Luxembourg on a false passport to open an account. She returned to present a bogus letter to the victim's bankers asking for £428,000 to be transferred to the new account.

Miss O'Neill said that the plan almost succeeded but bank officials in Luxembourg were suspicious and returned the cash to Barclay's bank in central London. Gittings was arrested a few days later while attempting to draw the money from the account. She was told that Gittings originally told police that she stood to receive £20,000 for her part, which she needed to clear her debts. She described her as an "intelligent, self-possessed, confident, calm and collected young woman" who was motivated by greed.

Gittings claimed that she was blackmailed by Raymond into joining the plot, but Miss O'Neill told her: "You were very attracted to him. There was a lot of glamour about him and you spent a great deal of time with him." She said that Gittings could have told her father, or a senior police officer friend of the family, that Raymond had contacted her. Raymond was at the bank last year when Gittings was arrested, but is now believed to be abroad.

The court was told that Raymond could be "bouncy, effervescent and amusing" one minute and "sinister and menacing" the next. John Howarth, a lawyer, who worked at John Gittings's law firm Hallinan, Blackburn, Gittings, and represented Raymond, said that he always took the precaution of being accompanied by others when meeting Raymond. In 1970 Raymond was acquitted at the Central Criminal Court on a murder charge. In October 1978 he was jailed for ten years for a £2 million theft at Heathrow airport after posing



Rebel freed: Terry Fields, the left-wing Labour MP, being reunited yesterday with his grandson Kane, aged eight months, as he left prison after serving 58 days of a 60-day sentence for non-payment of poll tax. "I would do it

again," the MP for Broadgreen said outside the Walton jail in Liverpool, clutching a box of letters from supporters. He said he had been reinforced in his commitment to the fight against the poll tax by hundreds of thousands of

people who contacted his office with messages of support. "I cried last night leaving some of my good friends in that prison. I have heard people refer to them as the dregs of society but in my book they are very unfortunate people."

Sinn Fein leader barred from funeral

GERRY Adams, leader of Sinn Fein, the IRA's political wing, was banned yesterday from the funeral of a man murdered by Loyalists.

Mr Adams was told to stay away when he asked the father of Seamus Sullivan, a Catholic aged 24, if he could attend the funeral. Jim Sullivan, a former Workers' party member of Belfast city council and who is in a wheelchair, told the West Belfast MP not to attend the funeral "unless he publicly and unequivocally condemns terrorist killers on both sides".

The two men had been friends until the IRA split into its official and provisional wings 20 years ago. Seamus Sullivan, a street cleaner, was gunned down by the Ulster Freedom Fighters at a council yard in Belfast on Tuesday.

Father Anthony Alexander told hundreds of mourners at St Peter's cathedral, west Belfast, that the killers had "taken on the role of God and decided in this case, if not in other cases, that someone should cease to live". Death had become all too common in Northern Ireland, he said.

In a statement read at the funeral, Mr Michael Dallat said he did not have words strong enough to condemn the murder. Jim Sullivan had appealed for no revenge killing. Monsignor Dallat said: "I pray that his appeal will not fall on deaf ears and that the vicious cycle of tit-for-tat murders will end. Twenty years of murder and mayhem have solved nothing; rather they have deepened divisions and increased bitterness."

Most of the village of Belcoo in Co Fermanagh was evacuated yesterday and all roads leading into it were sealed as the IRA continued its campaign against army and police posts on the border. About 200 residents were moved from their homes before dawn after the police station was fired on.

Adrian Guelke, aged 44, a Queen's university politics lecturer who was shot by a Loyalist gunman who broke into his Belfast home on Thursday night, was back at home last night "a little bit sore but otherwise okay".

Prison rioters are to pay the price

By QUENTIN COWDRY, HOME AFFAIRS CORRESPONDENT

JAILED affected by inmate disturbances will be repaid out of existing budgets, postponing improvements in prison regimes, Kenneth Baker, the home secretary, said yesterday. Mr Baker also renewed warnings that prisoners who took part in riots or escapes faced tougher punishments. Ministers plan to introduce an offence of prison mutiny, with a maximum penalty of ten years imprisonment, and to increase from five to ten years the maximum jail term for aiding and abetting a prison escape.

Referring to the recent disturbances at Moorland prison in Doncaster, South Yorkshire, and elsewhere, he said: "This type of wanton behaviour is self-defeating and will not be tolerated. Prisoners must understand that they will

have to pay the price for rioting - by spending longer in prison and by waiting longer for improvements in prison conditions."

Mr Baker, addressing a conference in Nottingham of members of boards of visitors, said he had no intention of requesting extra funds to make good the "mindless destruction" wrought during the latest outbreaks of jail disorder.

Helen Edwards, of the National Association for the Care and Resettlement of Offenders, last night challenged claims that inmates had rioted at Moorland because they were not used to such good conditions. "It was partly a seditious riot and partly the result of moving young prisoners into Moorland before resources for a full regime had been put in place."



Gittings: faces jail after posing as medical student

Ancient ale's secret recovered from sea

By NICK NUTTALL

A NEAR-perfect copy of a 19th-century ale is being made available to 20th-century tipplers after brewing yeast was discovered on a sunken barge. The brew, more properly called porter, is the creation of chemists at North London polytechnic who have used yeast taken from ale bottles found in an unidentified 1825 wreck off Littlehampton, West Sussex.

The beer, which is being marketed to specialist beer shops under the name Bottle Green, is made using organically grown hops and contains no preservatives or additives.

Jerry Lockspeiser, of Vincermos, a company based in Ossett, West Yorkshire, which is distributing the beer, described the brew as dark and strong with 5 per cent alcohol and a specific gravity of 1055. He said the company planned to market the beer more

widely through "one of the large multiples". Divers have known about the wreck for some time and have christened the remains of the 70 ft sailing barge "The Bottle Wreck". Keith Thomas of the polytechnic's Brewlab, part of the applied chemistry department, became interested in it after being told about the bottles by a diver. About 500 bottles of beer, many with seals intact, have been recovered from the wreck. Although the ale was undrinkable, the yeast was still alive and has been used in an 1850 recipe. The beer is being brewed at the Falcon and Firkin brewery in Hackney, east London.

as a university student to get a job as a security guard and fleeing to Switzerland, from where he was extradited. In 1985 he was again jailed for a £500,000 fraud on Granada Television. Mr Howarth said that Raymond represented himself in every court except the House of Lords. Alan Rawley, for the defence, said Gittings was devoted to her father, who had experienced trouble bringing her up alone from the age of 16 after his wife died. Gittings abandoned plans to become a secretary after breaking several fingers in an accident and joined her father to work part-time.

Heart patients on track

JOHN MANNING



In the running: Pippa Langston, aged 15, preparing the third European Heart Transplant Games, being held at Hayes Stadium, west London, today, at which she will be the youngest competitor. Pippa, who had a heart and lung transplant in 1990, will be one of 300 heart-transplant patients from 15 countries to take part in the games, which will include athletics, volleyball, cycling, swimming and golf. Ken Pinfield, the organiser of the games and a former Harefield Hospital transplant patient, said: "The games are a tribute to the success of heart transplantation and how it is spreading throughout Europe. It is the firmest evidence you can get that life after a transplant is full and rewarding."

Heseltine made visit to hall

MICHAEL Heseltine, the minister at the centre of the dispute over Heveningham Hall, visited the dilapidated mansion on June 2, it was disclosed yesterday (John Shaw writes). The environment minister was accompanied by Lord Marlesford and Jonathan Aitken, MP for Thanet South.

The visit took place against a background of campaigning by local protesters, who wanted the house reacquired by the government. A month later Lord Marlesford, who lives at Woodbridge, Suffolk, raised the matter in the Lords. He described the property as being "in a deplorable state. The garden is a wilderness".

He asked Baroness Blatch, a junior minister at the environment department: "Does she agree the government have shown a most disappointing degree of stewardship over the past decade?" adding that Mr Heseltine should be persuaded to buy back the property for the nation. Heveningham, a Grade I Georgian mansion near Halesworth, Suffolk, was sold to a Swiss company for £726,000 in 1981. The company defaulted on a £3 million loan from the Bank of Kuwait and earlier this week receivers were appointed for the hall.

Lord Marlesford did not say that he was with Mr Heseltine at the time of the visit. During the tour the minister, who has taken a keen interest in the house, was highly complimentary about restoration work after fire damage at the hall.



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THE SUNDAY TIMES

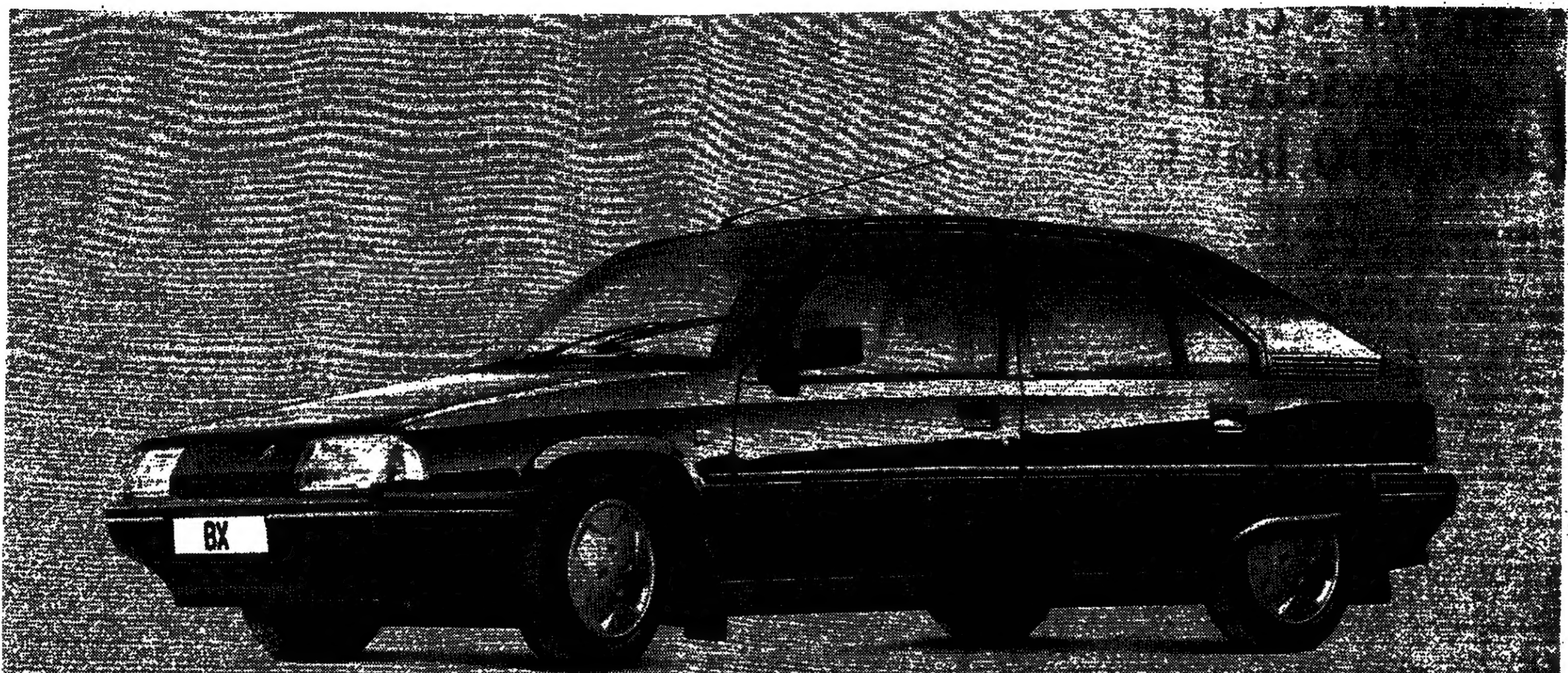
Doctor in love

She was fair-haired, thin-boned and beautiful. I was 17 and she 16. For years the love generated a fire that at times nearly consumed me. I cannot describe the heights to which our love took me, nor the depths to



which I sank in periods of rejection. More thinking and writing were devoted to her than to all my medical studies put together. I wrote poetry and read most of the major poets in the English language...

And then - later - there was Debbie. David Owen's autobiography, exclusive serialisation begins in The Sunday Times tomorrow



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Monthly Payments	£768.86	£293.75	£238.35
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TUC conference ends in uproar over no-strike deals and accusations of racism

Unions attack 'alien' style of Japanese companies

By Philip Basset, Industrial Editor

BRITAIN'S union leaders are racist, it was claimed yesterday as the Trades Union Congress overwhelmingly backed criticism of staff-relations practices used by Japanese firms investing in the United Kingdom.

With only two unions voting against it, the TUC on the last day of its Glasgow conference opened itself to criticism from the government by approving a resolution from the left-led MSF general technical union attacking the single-union, no-strike deals favoured by Japanese firms.

The motion, adopted by the TUC with qualified support from its governing general council, attacked the "alien approach" of Japanese companies in Britain. It was particularly significant given that five unions are competing

billion in the United Kingdom, creating 50,000 jobs in 92 plants — and the MSF was calling them alien.

Mr Laird attacked the "sheer hypocrisy" of MSF: "How can it justify bidding along with four other unions for the single agreement at Pioneer and Toyota and many others and then object to the principle of such a contest when they lose? How can they justify wooing Japanese investors with Japanese language brochures offering a deal and then condemn the investor when another union gains recognition?"

Robert Thomson, of the GMB general union, said that to suggest Japanese employee practices were alien was naive and misleading. Both unions voted against the motion.

But Ken Gill, the MSF general secretary, was unrepentant and denied charges of racism. He accepted that moving such a motion would "not endear" his union to Toyota.

He attacked the "beauty contests" run by companies such as Toyota, in which unions paraded before an employer, which then chose the one it wanted rather than leaving the choice to its employees. He said that in such contests, "whoever looks least like a trade union is the odds-on favourite". He said the MSF was always likely to be a wallflower because it would not offer no-strike deals or other inducements that would "prettify" the union.

Ron Todd, of the TGWU transport union, attempted to distance himself from the anti-Japanese elements of the motion, and Norman Willis, the TUC general secretary, listed specific reservations about its terms. Mr Laird said they were so extensive they should have led the TUC to oppose the motion.



Laird: attacked the "alien policy" of left-wing union

to be chosen by Toyota, Japan's largest car manufacturer, to be the representative at its new £700 million factories in Derbyshire and North Wales.

Gavin Laird, general secretary of the AEU engineering union, which is favourite to win the Toyota deal, said the motion was a "negative and racist piece of propaganda". In the past 10 years Japanese companies had invested £7

Sunshine and blue skies banish thoughts of defeat

The TUC has found confidence and consensus, Philip Basset reports, but that is unlikely to be enough to save the unions if the Tories are elected again

THE rock group Simple Minds were playing last week in the conference centre hall where the Trades Union Congress has been meeting in Glasgow. Next week Dire Straits are in concert. Simple Minds, TUC, Dire Straits — Norman Willis, the TUC general secretary, drew out the connection yesterday in his traditional speech of thanks to the press, which brings the conference towards a close.

But faced with the most intensive Conservative onslaught on its proceedings and decisions for years, the annual conference ended with the trade unions a good way from being in dire straits, and in a confident, rather than simple, frame of mind. "This has been a good week for our movement," Alec Smith, the retiring TUC president, said. Rodney Bickerstaffe, the dynamic general secretary of the public employees' union Nupe, who succeeded Mr Smith yesterday, agreed: "Michael Howard [the employment secretary] tried to steal our thunder. But there hasn't been any thunder this week. It's all been blue sky and sunshine."

Although internal issues such as the EETPU electricians and single-union deals prompted divisions, the splits traditionally forecast did not occur: on the key economic issues, such as pay, and on their employment equivalents, like labour law, the unions have maintained a consensus. A consensus, too, which they believe is becoming increasingly popular with the public, as measured by the plethora of opinion polls which were a notable new feature of the conference this year.

The unions believe that Mr Howard has seriously misjudged the public mood in his attacks on them. "He tries too hard, and hasn't quite got it," Leif Mills, of the Biff banking union, said. "Gamma minus."

Mr Howard thinks it is electorally worth playing the union card. But Labour lead-

ers believe that, with unemployment soaring, he is kicking the wrong ball, and draw comfort from the fact that the resounding conference defeat of Arthur Scargill, president of the National Union of Mineworkers, on the key issue of employment law under a future Labour government will make the union card even less valuable to the Conservatives. A Labour government is, of course, what the unions most want. If the Conservatives are returned, then no matter how confident, how consensual, the unions might seem after a



Bickerstaffe: no thunder clouds in Glasgow

relatively good week, their immediate and longer-term prospects look bleak: fewer members, even less importance, even less impact.

Not that much of that would necessarily be different under a Labour government — particularly one which would have to deliver on its implicit and explicit promises that it will not be a government driven by the unions; that the union tail would not end up wagging the Labour dog.

But the unions would clearly benefit from a friendlier legislative and operational environment. That's why they have been on their best behaviour. If Labour loses, Dire Straits won't just be playing in Glasgow next week: dire straits will be what the unions will be in for the foreseeable future.



Speaking out: Lynne Savings, left, of the Institute of Professional Managers and Specialists, and Mary Davies, of the National Association of Probation Officers, addressing the TUC conference yesterday

Strategy to save falcons launched

By William Cash

THE plight of some of the world's rarest birds of prey, including the Mauritius kestrel, will be discussed this weekend at the first international conference on small falcons being held at Kent university.

Organised by the Hawk and Owl Trust, the conference will hear how conservation and habitat restoration have helped to save the Mauritius kestrel, which ten years ago was on the verge of extinction.

The future of the merlin, Britain's smallest endangered bird of prey, will also be high on the agenda. Britain is the only EC country where it breeds regularly. Colin Shawyer, director of the trust, estimates that there are no more than 800 pairs of merlins in Britain, centred mainly in Scotland and the north of England.

The conference was organised as a result of growing fears about the declining number of small falcons in captivity and in the wild. It hopes to pool all available knowledge on falcons. Conserving the world's falcons required patience and

considerable research. Mr Shawyer added. Other rare falcons to be discussed include the pygmy, found in East and Central Africa, and the sooty, found in Israel. Both are estimated by the trust to have only 20 surviving pairs.

Contributors to the conference include John Cooper, a British vet recognised for this work on the health of free-living wild animals, and David Parkin, whose Nottingham-based research group is applying DNA fingerprinting techniques to wildlife.



Merlin: no more than 800 pairs left in Britain

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Councils must act swiftly against poll tax defaulters

By DOUGLAS BROOM, LOCAL GOVERNMENT CORRESPONDENT

THE government yesterday refused to relax rules on the prosecution of poll tax defaulters, which council treasurers say will lead to thousands of non-payers escaping legal action.

The Institute of Revenue, Rating and Valuation, the professional body for community charge collectors, says regulations requiring councils to take action on arrears within two years do not give them enough time to go to court. It says mounting court delays would make it impossible to get liability orders against defaulters within the time limit.

Under the rates system, councils had six years from

the date of the final reminder to bring court action and many councils are still pursuing rates defaulters.

David Magor, the institute's president, called on the government to amend the regulations and give councils more time. "There is an enormous problem looming unless action is taken," he said.

The environment department rejected the call and said it had no evidence that councils would be unable to meet the deadline. "We are aware that a few councils have problems, but that is largely their fault. Lambeth, for example, is still trying to collect rates that should have been collected six years ago,"

said a spokeswoman. "The two-year rule is intended to encourage authorities to get on with the job of collecting the poll tax. Under the old rules it was taking too long. Now they know they have to act quickly to get the money in."

Mr Magor said the speed of legal action was beyond the control of councils. The rate at which courts handled cases ranged from 32 cases an hour in Bournemouth to 1,063 an hour in Weston-super-Mare.

A survey of councils in the latest *Municipal Journal* found that most expected to be able to meet the deadline, but some predicted difficulties.

Liverpool, where poll tax collection staff have been on strike, and the London borough of Greenwich, where a strike by housing staff hampered collection, expressed fears that they might be unable to start legal action in time.

Figures published by the All Britain Anti-Poll Tax Federation show that the Labour-controlled council of Burnley, in Lancashire, has jailed more poll tax defaulters than any other local authority in England.

The federation said 29 councils had jailed 67 people in total. Burnley jailed 17, South Tyneside five, Trafford in Greater Manchester four, and East Staffordshire, Gateshead, Thanet and Medina three each.

Leslie Pickering, Burnley's deputy treasurer, said: "We simply take defaulters before the court. It is for the magistrates to decide what to do with them."

The majority of those jailed were already under suspended committal orders but failed to keep up instalment payments set by the court, he said.

A woman employed by Labour-controlled Hackney council in east London has been suspended over allegations that she removed names from the poll tax register in return for cash.

The council said yesterday it had launched an investigation into the anonymous allegations. A council spokesman said: "We are treating the matter seriously."

Miners in accident find pay docked

By PETER DAVENPORT

MINERS who were involved in the underground conveyor belt accident earlier this week but were not injured seriously enough to need hospital treatment discovered yesterday that British Coal is to deduct money from their wages for the time they were out of the pit recovering.

The 42 men who were taken to hospital after leaping from the accelerating belt, which transports miners to the coal face more than 2,000ft below ground, will be paid as normal. But more than 60 others, including men who left Thurcroft Colliery in South Yorkshire shocked and shaken, will lose up to £45.

After receiving check-ups at the colliery medical centre and treatment for minor cuts and bruises, many of them went home for the rest of the day. They will be paid only for the two hours of the shift they spent underground, much of it waiting to be rescued, and in the medical centre.

Paul Roddis, the NUM miners' union branch secretary at Thurcroft, said yesterday that the ruling would affect 66 men. They would each lose between £25 and £30

from their normal pay, plus £10 to £15 in bonuses, because all production was stopped at the pit after the accident.

"The British Coal decision is absolutely disgusting," Mr Roddis said. "The men are being penalised heavily for something that wasn't their fault. It is true that, taking the letter of our agreements, they [British Coal] are within their rights, but it is a harsh interpretation."

A spokesman for British Coal said the men would be paid in accordance with procedures agreed with the unions. "A total of 108 men were seen at the pit's medical centre and 42 of those were taken to hospital. The 42 will be paid a full shift but others who left the pit will only be paid for the time they were underground, because they were not available for work even though they had been cleared from the medical centre."

The accident happened at the start of the day shift, at 6.40am. Later in the day, 65 men refused to go on the afternoon shift because they would have had to walk to the coal face. Their pay, too, will be docked.



Beauty: Elizabeth Taylor in 1946 at the start of her acting career



Brains: Bernard Shaw in 1943 towards the end of his writing life

Faces of history by Karsh of Ottawa go on show

By SIMON TAIT, ARTS CORRESPONDENT



Involuntary bulldog pose from Winston Churchill

TO GET the right degree of belligerence in the bulldog expression, Karsh politely but firmly reached out and removed the cigar from Winston Churchill's mouth. "He looked as if he would devour me," Karsh said later, but the photograph he took in Ottawa in 1941 gave the most familiar image of Churchill and Yousuf Karsh a reputation as the world's

leading portrait photographer. "You can even make a roaring lion stand still," Churchill told him, and the sitting had taken just two minutes.

Karsh of Ottawa, as he signs his photographs, has given 91 images, including Churchill's, to the National Portrait Gallery as his British collection. Still working at 83, he is in London for the opening of an exhibition of the photographs at the gallery today, and to take a

portrait of John Major. Robin Gibson, curator of the 20th-century collection at the gallery and organiser of the exhibition, said: "Karsh has a gift for getting just what he wants from a sitter. He persuaded Castro to take his shirt off, and Khrushchev to dress up in a fur coat and balachava helmet." Lord Montagu called the experience being "karshed".

The gift to the national collection of portrait photo-

graphs includes pictures of W.H. Auden, Sir Thomas Beecham, Laurence Olivier, Elizabeth Taylor, Evelyn Waugh, the Queen and the Duke of Edinburgh, Bertrand Russell, Field Marshal Lord Wavell, and Graham Greene.

Born in Armenia, Karsh emigrated to Canada at the age of 16 to be apprenticed to his uncle, a photographer in Quebec. He set up his own studio in Ottawa in 1931 and his career took off in 1936.

Save the buses, say MPs

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

A WARNING that the United Kingdom bus manufacturing industry could disappear without help from central and local government was delivered yesterday by an all-party committee of MPs.

The Commons transport committee also warned of a shrinking supply of bus services as investment and rev-

enues decreased and costs rose. It called on the government to grant tax relief to bus companies for the purchase of new vehicles and said buses could no longer remain the poor relation of public transport if urban congestion was to be tackled.

The committee, reporting on the government's transport spending plans, referred to evidence from the passenger transport executive group saying there was inadequate investment in new buses. It showed that bus fleets were ageing and were slipping behind on emission control and passenger facilities.

While operators spent £290 million on new buses in 1989, the problem would become more serious as £500 million was needed to stop the average age of buses rising further.

The committee said: "An ageing fleet brings increasing problems of emission control, maintenance and overall image, which in turn affect operating efficiency, patronage and profitability."

It concluded that a government bus policy based on deregulation and unfettered competition did not sit easily with subsidies for capital renewal, but it said that unless action was taken soon the government would be faced with fewer bus services as investment and revenues decreased. It said: "Established

bus manufacturers are already in trouble and there is a danger that the United Kingdom bus manufacturing industry could disappear. Buses are a crucial element in providing effective public transport, but it is essential that more investment is directed into bus transport from central and local government."

The committee called for tax relief on new vehicles, special grants for investment on pollution and congestion control, and an aggressive policy on bus lanes to improve the attractiveness of buses.

The committee also called for fiscal incentives to increase the number of vehicles fitted with catalytic converters. It said the converters reduced emissions of carbon monoxide and other pollutants by more than 75 per cent. With no traffic growth and universal installation of the devices, the United Kingdom would have only 25 per cent of its present air pollution. However, traffic was expected to grow and installation would be gradual.

The converters must be fitted to new cars from the end of 1992. It is estimated that within about five years of their being made compulsory in new cars they will be fitted to half of all private cars and light-goods vehicles on the roads.

Tourism cheers for children

By LOUISE HIDALGO

BRITAIN'S hotels should extend a warm welcome to guests with children rather than discriminate against them, the English Tourist Board said yesterday.

Although almost half of all UK holidays last year were taken *en famille*, British hoteliers lag far behind their American counterparts in providing facilities to help parents, a spokeswoman said. The board's comments follow a decision by the Hyatt hotel and resort chain to bar children from some areas.

A Times spot poll of a dozen hotels confirmed that children were to be excluded rather than encouraged. All except two provided little besides half-price meals, discounts on rooms and a babysitting service that consisted of a hotel receptionist with a two-way listening device.

Mario Wyn-Jones, chief inspector with Egon Ronay, publisher of the *And Baby Comes Too* guide to British hotels and restaurants, said: "Children are generally not well tolerated."

One Wiltshire hotel said it "took" children, but banned them from the restaurant, except at breakfast. Few offered crèche facilities or evening babysitters.

Pair killed watching car stunts

Darryl Coppin and his girlfriend Lisa Morrell, both aged 17, mown down by a car, may have been watching a display of "hotting" it emerged yesterday. They died at the weekend when a Capri careered onto the pavement in the high street of Soham, Cambridgeshire.

Residents said the peace of the fenland village was shattered by displays of "hotting" with youngsters driving recklessly through the high street trying to do stunts.

"This is not like Oxford or Birmingham, but youths today do not need much prompting to copy what they see happening on television in those cities," one villager said.

Care man jailed

David Model, aged 46, a care worker, of Finner, northwest London, who befriended a disabled boy aged 14 and sexually abused him, was jailed for five years at Harrow crown court.

Seals die

Scientists are making pollution checks on six seals and porpoises washed ashore near Whitby and Scarborough.

Prisoners flee

Four prisoners being held at Ramsgate police station as a result of the prison officers' dispute smashed their way out of cells.

Gems raid

Two gunmen locked jewellery shop staff in a cupboard in Apple Market, Kingston upon Thames, and fled with a quantity of gold. They got in dressed as postmen.

Waterfall death

Shaun Bulmer, aged 24, of Bradford, died after he had leapt down a 60ft waterfall at Thornton Force in the Yorkshire Dales during a stag night celebration.

Fatal exercise

James Windsor, aged 16, a soldier from Grantham, collapsed and died during an exercise at Shorncliffe Barracks, near Folkestone, Kent.

Photo festival

Alasdair Foster has been appointed director of the 1993 Scottish International Festival of Photography.

Factory blast

A worker was killed and many were hurt when an explosion ripped through a boiler house at Evans Medical factory in Speke, Merseyside.

Cash protest

Hugh Tierney, of Worthing, paid his poll tax bill in 7,840 five-pence pieces. Town hall staff took 35 minutes to count it. He said he might pay in pennies next year.

Battles rage

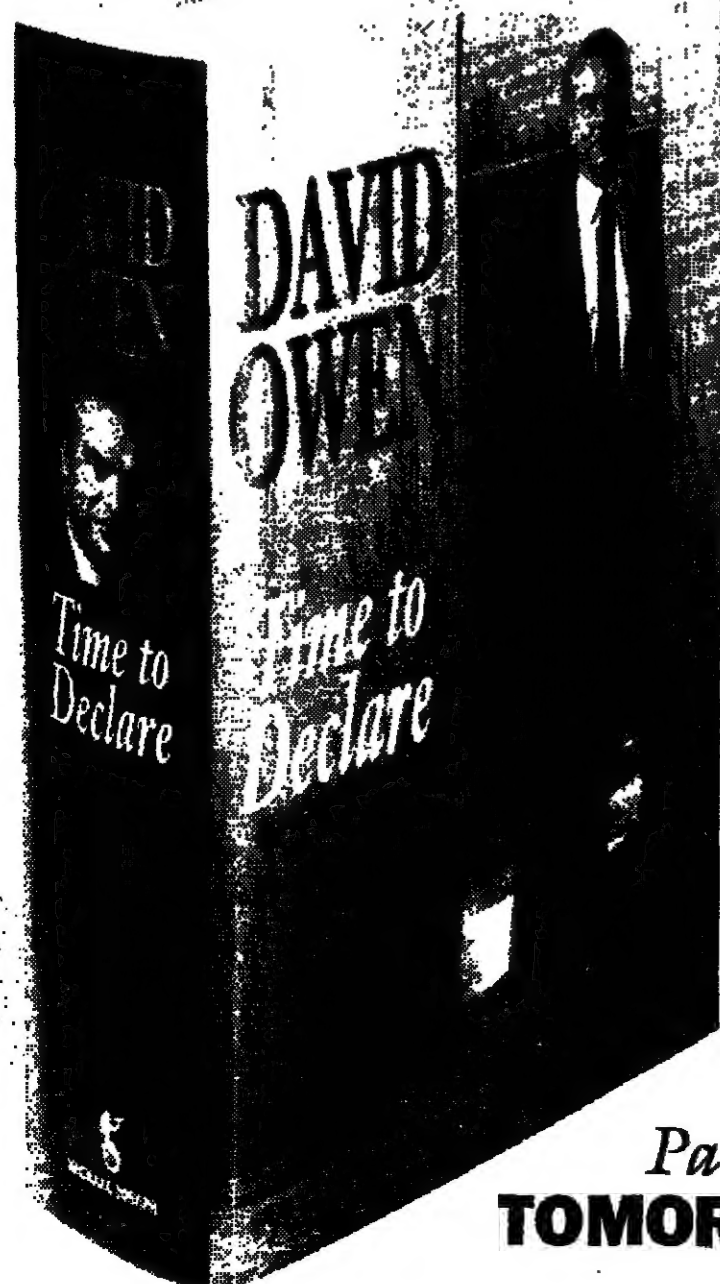
Peace talks ahead in renewed

Children in dogma of h

Bush delay

THE SUNDAY TIMES EXCLUSIVE

Pre-publication extracts:



Part One. TOMORROW.

Rupert and chums cross the ocean in search of new fans

By SIMON TAIT, ARTS CORRESPONDENT

RUPERT Bear, whose escapades told in tortuous doggerel have had an undiminished appeal for successive generations of children, is to take on the Teenage Mutant Ninja Turtles and the Simpsons on American television.

TVS, the company that has the television franchise for southern England, has made a 13-episode cartoon series of the comic strip character, which is to begin on network independent television on September 17. The series, made by a Canadian animation company, Nelvana, is based on the Alfred Bestall drawings and retains the familiar Twenties and Thirties dress and settings.

Rupert was created for the *Daily Express* in 1920 by Mary Tourtel, whose husband was the paper's news editor, and he first appeared in a story entitled "Mrs Bear sends her little son Rupert to market."

The little bear is being sent to a different market next month when TVS launches



Bestall: style of his illustrations retained

the cartoon at Mipcom, the international television festival at Cannes. Negotiations are advanced with American television companies, and Rupert is expected to appear on screens across America next year.

John Nurdin, for TVS, said: "The rough, tough American animations such as *Bart Simpson* and the *Ninja Turtles* have their place, but we see Rupert as an international antidote to this. We believe there is scope for him to be popular, particularly in America."

Unlike Winnie the Pooh,

Rupert's junior by six years who was made a film star by Disney in the Seventies, Rupert is not being Americanised. His voice is being spoken by a British schoolboy, Ben Sanford, aged 12, whose parents recently emigrated with him to Canada from Britain.

All but one of the 13 stories are based on original ones, but adapted to modern social requirements to make them non-sexist and non-racist. Tigerlily, hitherto a minor chum, is promoted to principal pal. She is no longer there just to make lemonade and cucumber sandwiches, but to have adventures.

Potential complaints of racism are also being dodged. Nigel Pickard, controller of family programming for TVS, said: "We have avoided the cannibal stories." Black natives with bones through their noses eating little white bears were no longer acceptable.

The international Rupert of 1991 is more streetwise. "He is not mummy's little boy any more. He has matured a little," Rupert Bear will be 71 on November 8.

Battles rage between Croat and Serb forces only 15 minutes after truce agreement

Peace talks to go ahead in spite of renewed fighting

FROM ROGER BOYES IN ZAGREB AND DESSA TREVISAN IN BELGRADE

EUROPEAN Community and Yugoslav leaders yesterday decided to go ahead with the Hague peace conference today despite the fierce mortar and gun battles raging in Croatia.

Yugoslavia's collective presidency, meeting in Belgrade, endorsed the introductory speech to be delivered at the conference by President Stipe Mesic, its chairman. But it could not agree on the nomination of two members of the arbitration commission, a key part of last week's European ceasefire agreement.

The limited authority of the European Community was demonstrated in the eastern

city of Osijek when a ceasefire arranged by the European Community, Henry Wijnssens, the Dutch ambassador to France, was broken after only 15 minutes. Mortar shells rained down on the city centre and shattered one of the steeples of the cathedral.

There was also intense fighting yesterday along the Zagreb-Belgrade highway, the key east-west artery for Balkan trade, which has been blocked for two days by Serb insurgents. After a series of ragged gun battles along the road between Novska and Slavonski Brod, the Croats claimed to have chased the Serbs away from the bridges.

Before the ceasefire was broken, Mr Wijnssens had received assurances from General Veljko Kadijevic, the federal defence minister, that the Yugoslav army had been ordered to respect it. Slobodan Milosevic, the president of Serbia, also gave an undertaking that he would do everything in his power to make the peace missions' work easier. He gave a warning, however, that he did not control the Serbian militias who operate in Croatia.

Dr Franjo Tudjman, the president of Croatia, earlier gave similar assurances. Despite this the fighting continued and spread to central and southern Croatia.

Serbian sources claim that about 100 square miles in Croatia's eastern region of Slavonia are in the hands of Serbian guerrillas who have been pressing forward to control as much territory as possible before the peace conference. Enclaves populated by Croats in the disputed regions have been emptied as the population fled.

Ante Markovic, the federal prime minister, yesterday for the first time openly criticised the "excesses" of the Yugoslav army and said that cases of army abuse would have to be investigated. Dr Mesic, who is nominally commander-in-chief, has also been trying to bring the army into line.

In some areas there are signs that the army has suspended its artillery, tank or air support for the Serbian insurgents within Croatia. But the Sisak iron foundry was hit yesterday by artillery fire that came from inside the nearby army barracks in Petrinja. And, in Okucani, the Serbs were fighting alongside army units that were drawn from Banja Luka in neighbouring Bosnia.

The official army position is that it will not shoot first and that it is firing only under provocation. Croats claim that Serb guerrillas deliberately shot into the Petrinja barracks so that the Croats would be blamed.

In Osijek, Dr Zlatko Krunic, the mayor, said: "Despite the ceasefire, the army and Serbian terrorists immediately violated the agreement. Asked about it, twice, Admiral Stane Brovet, the deputy defence minister, replied only that 'the army is under attack. There was shooting but it was the work of provocateurs, to give the army an excuse'."

Markovic criticised the "excesses" of the army

Markovic criticised the "excesses" of the army



Shattered peace: a Serbian villager checking the windows of his home in Crepulja, Croatia, after it was damaged by mortar attack from Croatian forces

Macedonia heads for exit

FROM ANNE McELVOY IN SKOPJE

MACEDONIA is likely to become the third of the six republics to vote itself out of the Yugoslav federation tomorrow in a referendum expected to result in a clear call for independence.

The southernmost republic will reserve the right to enter a future Yugoslav federation, should such an entity survive the present crisis. But President Kiro Gligorov confirmed yesterday that, if Slovenia and Croatia secede from the federation, Macedonia would not stay in what would effectively be little more than a greater Serbia, but would enforce its independence fully.

While the predicted outcome of the vote will not please Serbia, the caution of its wording is intended to prevent confrontation with Belgrade. Macedonia has been acting as something of an honest broker in the conflict and is refreshingly pacific in a country where bloodshed has rapidly come to be considered the natural accompaniment to political disagreement.

"Our hope is that the war will keep its distance from Macedonia," said President Gligorov. He cannot, however, be much reassured by the top army generals who forcibly took over recruiting here earlier in the year, in contravention of the republic's laws, prompting the referendum.

Unlike Slovenia and Croatia, Macedonia would much prefer to be inside the federation than outside it. But it can no longer ignore the break-up

of the superstructure which has been the guarantee of its existence since 1945.

Macedonia's dominant internal problems are poverty — there is 27 per cent unemployment — and a large and

perceived Serbian threat, but there is the dangerous possibility that the ethnic instability in the neighbouring Albanian province of Kosovo will spill over the border.

The tentative formulation of proposed independence reflects the caution of a small country which has spent its history being invaded, occupied or ignored by its more powerful neighbours.

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Events lead Genscher astray

By ANNE McELVOY

AS THE old communist idols crash from their pedestals, a few modern democratic figures are also exhibiting cracks of mortality.

Hans-Dietrich Genscher of Germany, with 17 years behind him, is the longest serving foreign minister in Europe. But suddenly he seems vulnerable and out of step with reaction to the whirl of events, lagging behind the rest of the West on some matters, leaping incautiously ahead on others.

His uneven and noisy policy on Yugoslavia is coming under the heaviest attack. Under pressure from the Catholic lobby of the Christian Democrats and the influence of a misjudged June visit to Belgrade, he has switched from a strong advocacy of federalism to passionate support for the breakaway republics.

The tactic has failed, largely because of the way Herr Genscher went about it. He took to uttering stern rebukes to the federal army and the Serb forces, and summoning the Yugoslav ambassador. He threatened German recognition for Croatia and Slovenia unless Serbian and army attacks stopped.

All of it is rather specious, since Germany is unlikely to risk departing from the European Community line of non-recognition while the conflict is in progress. His ultimatum having been greeted by a cool silence in Brussels and a hail of fire in Croatia, Herr Genscher has abandoned his fiery words.

Last weekend, he resorted to the meaningless message: "The people of the Federal Republic of Germany hope that the people of Yugoslavia can solve their conflict by peaceful means." But, in the days before the peace conference due to open at The Hague today, Herr Genscher has reverted to threatening the recognition of Croatia as a means of bringing Serbia to the negotiating table. His confidence in what he likes to call his "antenna for world developments" has taken some severe knocks.

Kohl's deputy gives up politics

Bonn — Lothar de Maizière, East Germany's last prime minister before unification, said yesterday that he was resigning as deputy leader of the Christian Democratic Union and leaving politics.

"Unjustified and deliberately spread suspicions have been a burden on my political work, myself and my family," he said.

Herr de Maizière, aged 51, has been embroiled in an internal dispute over whether the CDU in eastern Germany was riddled with fellow-travellers of the former communist government. Commentators say that he was never entirely cleared from suspicions that he had given information to East Germany's Stasi security police.

He offered to resign a week ago, but Helmut Kohl, the chancellor and party leader, persuaded him to change his mind. Herr de Maizière is also CDU leader in Brandenburg and chairman of a policy committee. (Reuters)

No reparations

Bonn — Helmut Kohl, the German chancellor, has ruled out compensation for all Poles forced to work as slave labourers in Nazi Germany and said amends would be made only to those who had "suffered particularly badly". He told parliament that Bonn was negotiating with Warsaw on the issue. (Reuters)

Sherry runs dry

Madrid — Striking Spanish workers have brought sherry production in the Jerez de la Frontera region to a halt at the start of the harvest. The bodega, hit by recession, want to end pensions, presently payable at age 60. Workers have now proposed working until the age of 62.

Robbery foiled

Paris — One of three men whose attempt to rob a Paris post office was foiled by the police killed himself in a hotel after a chase. During the raid four people — a member of the gang, two policemen and a security van driver — were hurt in an exchange of gunfire. The third gunman was later captured. (Reuters)

Children inherit dogma of hatred

FROM ROGER BOYES IN SPLIT

Fighting in Yugoslavia has reached the sea-side. In the rocky terrain directly behind Adriatic resorts like Split and Zadar, Serbs and Croats are battling fiercely for villages.

Throughout the summer Dalmatian officials sent out reassuring messages to the absent tourists of Germany, Britain and Scandinavia: "Don't worry, everything is calm in this part of Croatia." Their reaction was more than commercial panic. It reflected the genuine belief that the long Croatian coastline was immune from war.

Why else would some 350 Croat schoolchildren be based out of Osijek, on the frontline in eastern Croatia, to the comfortable hotel Laz in Split? But the children, escaping from war, now find themselves on a different front. The war against Croatia is touching almost every part of the republic.

Off the Adriatic coast, Yugoslav air force jets have been buzzing in low formation, and naval ships are also on station. The Splicani were nervous when they discovered that the headquarters of the Yugoslav navy had been shifted from Split to Boka Kotorska in Montenegro, a loyal ally to Serbia.

The local Yugoslav army garrison is no longer ethnically mixed but almost entirely Serbian. Serbs predominate among the officers, the few Croats and Macedonians among the other ranks are given night guard duty so that they, rather than Serbs, will be killed if there is an attack.

The army adjustments are partly due to many desertions from garrisons on the Adriatic coast. But, the Splicani say, it could be more — it could be preparation for an all-out assault.

The refugee children know little of this. They miss their parents. Most of their fathers are in the national guard or the re-

serves. Their mothers are either at home, to protect the family houses from looting, or have gone to relatives in the east Slavonian countryside.

Behind Zadar, villages are echoing to gunfire and mortar shells falling ever closer to the resorts. The reason appears to be that "greater Serbia" needs an Adriatic port. Certainly that was the view touted some months ago by the tough Serb militants whose brain centre is in the shabby offices of Radio Koin.

They have maps and colour-coded charts that mark out all the notional "corridors" for the future expanded Serbia. One of these corridors is clearly intended to stretch from the fortified Serbian enclave in Koin to the sea.

Just months ago that seemed like the fantasy of a conspirator. Now it must be taken seriously as part of a military-backed strategy that is not going to be inhibited by such passing events as peace conferences.

A Serb insurgent on the Zadar hinterland. They are cutting off the resort's water supply almost every day. In the distance is heard the whine and thud of battle.

The school year has begun in all Yugoslav republics, but the Osijek refugee children will be spending much of their time on the empty beach. They are being pampered by the Splicani, who regard it as part of the Croatian war effort.

The children are already full of loathing for the Serbs. Middle-aged Croats still remember the names of the partisans and Serbs who killed their parents or grandparents; middle-aged Serbs have the same venomous certainties about the Croatian Ustaša terrorists who killed their families.

Today Croatia's children are learning the hatred of generations.



Markovic criticised the "excesses" of the army

Bush delays Israel aid package

FROM MARTIN FLETCHER IN WASHINGTON AND PAUL ADAMS IN JERUSALEM

IN ORDER to "give peace a chance", President Bush said yesterday he will ask Congress to defer for four months Israel's request for \$10 billion (£3.9 billion) in loan guarantees. The delay will put congressional consideration of the request to well past next month's scheduled Middle East peace conference.

"I am going to ask every single member of Congress to defer just for 120 days consideration of this absorption aid package [to help Israel settle a huge influx of Soviet Jewish émigrés]," said Mr Bush. He said the time is needed while James Baker, the Secretary of State, confers with leaders in Israel and in Arab countries in an effort to get them to sit down at the peace table. Mr Baker is due to resume his Middle East diplomatic shuttle next week.

Earlier, Senator Patrick Leahy, the chairman of the Senate committee with jurisdiction over foreign aid, said that President Bush and Mr Baker had persuaded him to block consideration of the sensitive Israeli request until the end of the year. "I have consulted with several mem-

bers of Congress in both parties and have had a general consensus that the peace process is too delicate to take chances with," he said.

The Israeli request was due to be formally presented yesterday to Mr Baker by Zalman Shoval, the Israeli ambassador, in spite of American objections. Israel has insisted that the guarantees, badly needed to help settle up to a million Soviet Jewish émigrés, are for humanitarian purposes entirely and unrelated to the peace process, and that there can be no linkage.

David Levy, the Israeli foreign minister, while cautioning his colleagues to avoid intemperate language, nevertheless made clear his opposition to linkage between the aid and the peace process. "If the aid is conditional on our accepting terms that are dangerous to our security, then I would answer we will live on bread and salt," he said on Thursday.

Geula Cohen, the hardline deputy science and energy minister, said that the Israeli government would fall apart if it yielded to pressure to stop building settlements in the occupied territories. He said that, if Mr Baker planned, during his forthcoming visit to pressure Israel to stop the settlements, then "it would be better if he stayed at home".

Israeli government sources said that the consequences of a

delay in granting the loan guarantees could be severe. "It will be very negative," said one official. "They [the US administration] say one thing and do another." Israel radio quoted an official as saying that American pressure on Israel to halt the settlements "borders on racism".

The governor of the Bank of Israel said that Israel could cope with a delay on the guarantees, but urged the government to improve Israel's image as a place to do business.

The Bush administration wants consideration of the guarantees delayed because approval would anger Arab states, which believe Israel would use them to continue settlement activity in the occupied territories. Conversely, Mr Bush could have given Israeli hardliners a pretext for backing out of the conference if he had sought a cast-iron Israeli commitment to freeze such activity.

But Israeli supporters allege that Mr Bush and Mr Baker also wanted a delay so that the promise of loan guarantees could be used to extract Israeli political concessions when the peace process starts.

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THE BALTICS

EC welcomes free states but offers little financial help

From TOM WALKER IN BRUSSELS AND ANATOL LIEVEN IN VILNIUS

FOREIGN ministers of the European Community yesterday held a good-humoured meeting with their counterparts from the reborn Baltic states — Lithuania, Latvia and Estonia — but gave the three few concrete promises of any immediate economic or political links.

The new visitors to Brussels were in buoyant mood after the news was flashed that the Kremlin had recognised their independence. "The second world war is over from this morning," said Lennart Meri, the Estonian foreign minister. He was referring to the Molotov-Ribbentrop pact that had resulted in the Soviet Union's annexation of the three countries in 1940.

Algirdas Saudargas, his Lithuanian counterpart, joked that he hoped this latest association with 15 countries — the EC and the Baltic nations — would prove to be more fruitful than the group of

15 his country is just emerging from — the Soviet Union. In Vilnius, the Lithuanian capital, President Landsbergis described the news of Soviet recognition as "expected, but positive and joyful in every respect, not just for Lithuania but for the Soviet Union itself and the international community. We are now returning to the sphere of legality".

But behind the rhetoric lay the message that the three states face a tough time. A European Commission study suggests that the three will need at least three billion euros (£2.1 billion) a year to help them reach Western levels of development, and has emphasised that the money can only come from an international restructuring effort.

Jacques Delors, the European Commission president, said the meeting yesterday with the Baltic representatives sent a "strong political signal". But he said the EC could

not ignore economic reality. "We must not forget the interdependence between the Baltic countries and the Soviet Union, and our own experiences with other East European states. The Baltic leaders are well aware of their own problems," he said.

Reading between the lines, M Delors was saying to the three foreign ministers that there is little the EC can do on its own for them at the moment, while it is preoccupied with helping other East European countries that have thrown off the communist yoke. There are still snags to be resolved regarding the association accords being negotiated with Poland, Czechoslovakia and Hungary. Those next in line for associate membership of the EC are Bulgaria and Romania.

But M Delors said the EC can provide links to international sources of aid for the Baltic countries, like the International Monetary Fund and the Group of 24 industrialised nations. He said the commission is already co-ordinating a G24 aid programme for Eastern and Central Europe, and this fund could "quickly be extended" to Latvia, Estonia and Lithuania. This year the G24 has given 500 million euros under the programme to Central and Eastern Europe. The amount will rise to 785 million euros next year.

Janis Jurians, the Latvian foreign minister, acknowledged the "enormous gap between the West and our states". But he said the EC could "help us to restore our rightful place on the map".

All three ministers said currency stabilisation was a priority, and have plans to start printing as soon as possible their own currencies — the Estonian kroon, the Latvian lats and the Lithuanian litas. When the litas was last in circulation, before the second world war, it was worth about 20 US cents.

Harsh future, page 12
Leading article, page 13

BALTIC IDENTITY

History reclaims captive nations

By ANATOL LIEVEN

SOVIET annexation of the Baltic states in 1940 and their subsequent isolation cut them off from Europe and, in a way, put their cultures to sleep. Today the Baltics are reawakening to a Europe which has changed far more than many of them realise.

The character of today's Latvians and Lithuanians has been shaped by the awareness that they are the very last survivors of what used to be an ancient Indo-European language group stretching far into what is now the Russian Federation. In recent decades this memory has been joined by fears engendered by large-scale Russian immigration.

The Lithuanians in the Middle Ages fought off the German crusading knights and survived for 200 years as the last pagans of Europe. A mysticism associated with love of nature and worship of the whole of creation is still a central part of the Lithuanian culture and self-image. So, too, is the memory of the time when, in the 14th and 15th centuries, the grand dukes of Lithuania ruled over an empire stretching almost as far as Moscow, and from the Baltic Sea to the Black Sea.

Traditions of paganism and the memory of the grand dukes were deliberately revived by the new Lithuanian national intelligentsia in the 19th century as part of their creation of a modern national consciousness. During this period they also in effect created national literatures from scratch on the basis of a mixture of folklore and European romanticism.

Other Baltics complain that glorification of their history has made the Lithuanians arrogant. They do indeed

sometimes refer patronisingly to the surrender of the Baltics to the Germans. The complexes that this has produced in the different peoples have been reinforced by the events of the past 18 months, when Lithuania made the grand gesture of independence and Estonia and Latvia pursued more cautious policies.

Like the Estonians, the Latvians and Lithuanians were conquered by the Teutonic knights but were never exposed enough to German colonisation for their identity to be destroyed completely. The Estonians also preserve their identity as a Finno-Ugric people, close to the Finns.

After surviving the Germans, the Lithuanian grand dukes married and allied with the rulers of Poland. In the succeeding centuries Polish, Catholic and aristocratic culture virtually wiped out the Lithuanian identity among the upper classes. So the Baltics, until very recently, were almost entirely peasant people. This has helped them to preserve their cultures from Soviet assimilation and saved them from falling into the trap of responding to Soviet provocations over the past 18 months. They tend to be stubborn, determined people, disciplined, hard-working (even after decades of Soviet rule), slow to anger but implacable, suspicious of strangers, and rather closed into their own families and societies. These features are especially marked in the Estonians, who take great pride in being closest to Scandinavia in their Protestant work ethic and in their cool, rational attitude to life.

Diary, page 12



On the spot: Peter Jennings, ABC News anchor, talking before a studio audience to President Gorbachev from New York yesterday

Kremlin charisma tops the chat shows

From CHARLES BRENNER IN LOS ANGELES AND SUSAN ELLICOTT IN WASHINGTON

AMERICANS are blasé about confessional talk shows, but this one took some beating. For the surreal, nothing could compare with the Boris and Mikhail Show, as the American media called it. There, sitting side-by-side in the Kremlin was the leader of the former Evil Empire bantering with his Russian nemesis about their feelings for each other, agreeing that communism was a big mistake and disagreeing about who should control the Soviet nuclear arsenal.

To complete the picture, there was even laughter and sighs from the studio audiences across America as citizens probed the two leaders about such things as their religious beliefs and how President Gorbachev could have picked such a band of incompetents as the coup plotters to surround him. "I

am an atheist," Mr Gorbachev replied to the American-Ukrainian priest who asked the question on religion. Mr Yeltsin called himself religious.

To the New York bank clerk who asked about the plotters, Mr Gorbachev said he was still "amazed and troubled by the treacherous and treasonable nature of their acts". The show got rolling when Miles Berkowitz of Los Angeles asked: "What would you most like to change about your political partner?" True to form, Mr Yeltsin was blunt, though he did not quite answer the question. "There have been times when Gorbachev thought I was a political corpse," he said. "But somehow we have adjusted and particularly after recent events after the coup, President Gorbachev has changed very seriously." Mr Gorbachev replied simply that "once upon a time that was a difficult question. Now it is easier to answer. A good deal of water has passed under the bridge."

In their red ties and jovial politicians' style, the pair came over more like rival candidates for high American office than as men, presiding over one of the century's biggest geopolitical upheavals. It was hard to remember that no Kremlin leader had ever held a press conference in the Soviet Union until 1985. They deferred to each other with good humour, but the tension was evident. When Mr Yeltsin said that he planned to move nuclear weapons out of Kazakhstan and into the Ukraine into Russia, Mr Gorbachev interrupted to remind him: "The supreme commander-in-chief is the president of the USSR."

Repeatedly, when it came to foreign affairs, Mr Gorbachev asserted his statesman's status. When Mr Yeltsin said that the Soviet Union would withdraw from Cuba just as it had from Eastern Europe, Mr Gorbachev cut in to say that Moscow wanted to expand trade with the country. Mr Yeltsin told a Chicago commodity broker that Russia would buy its food directly and it would be up to the other republics to make their own deals. Mr Gorbachev disagreed, saying that was not the way it would be.

With his straight talk, Mr Yeltsin clearly drew warmer reaction from the studio audiences in nine cities. When Oleg Mishkin, a young defector, asked what he should do, Mr Gorbachev made a woolly speech, but Mr Yeltsin said simply: "Citizen Mishkin, please come back."

But their most extraordinary answers came with the question about communism. Mr Yeltsin called it "a tragedy for our people and it was too bad it happened on our territory". Mr Gorbachev, who only ten days ago was still calling himself a communist, said: "The model which was brought about in our country has failed. I believe this is a lesson not only for our people but for all peoples."

However, the charisma of Mr Gorbachev and Mr Yeltsin faced a tough challenge. Not only was a favourite comedian on a rival channel, but the midnight slot hit the east coast after the bedtime of all but die-hard current affairs junkies.

Experts believe that the Soviet leadership thinks that its views will have more credibility bounced through American television.

CUBAN OPPOSITION

Anti-Castro activists want Moscow aid to be cut off

From MICHAEL BINYON IN MOSCOW

CUBAN opposition activists, making their first visit to Moscow, yesterday appealed to President Gorbachev to cut off aid to Havana because of its support for the abortive coup against him.

Their call came after secret talks with Soviet officials and coincided with statements on Cuba from Mr Gorbachev and Boris Yeltsin, the Russian president. Mr Gorbachev said Soviet aid to Cuba would be reassessed, and Mr Yeltsin that all Soviet military officials should be withdrawn from the island.

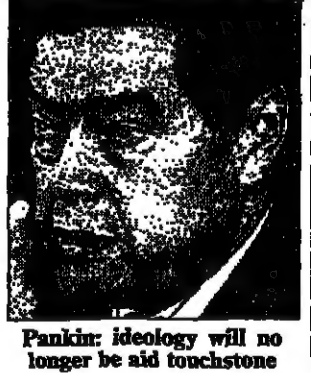
In an ABC television link-up, Mr Gorbachev told

American viewers who asked him about Soviet support for President Castro that Soviet-Cuban relations were being reviewed to make them mutually beneficial. But his diplomatic language hides the fact that Moscow has drastically cut its subsidies to Cuba and now views the country as a political and economic millstone.

On Thursday, Boris Pankin, the new foreign minister, said aid to Cuba was being analysed. He said the abolition of ideology as a touchstone of Soviet foreign policy would affect Cuba as well as other countries. He also made it clear that this change would lead to a sharp cut in economic aid.

The presence here of the Cuban opposition leaders is a sign that Moscow is withdrawing political support from Dr Castro, whose denunciations of Mr Gorbachev have grown ever sharper. Cuba has in the past put pressure on Moscow not to grant visas to opposition leaders. At a press conference the

visitors would not say which officials they had seen, but pointed out that Mr Yeltsin had met a Cuban-American delegation in Miami last year. "Havana: A hostile crowd shouting 'In Cuba there can be only one party' yesterday mobbed at least two political dissidents who apparently tried to stage a demonstration outside the headquarters of Cuba's state security police. One man was shoved and kicked by a changing group of people before being dragged into a police car by a uniformed officer. (Reuters)



Pankin: ideology will no longer be aid touchstone

Eight now charged with high treason

By MICHAEL BINYON

EIGHT leaders of the attempted coup in Moscow have now been charged with high treason, the chief prosecutor of the Russian Federation announced yesterday, and investigations will probably last another three months. All face a possible death sentence or imprisonment for up to 15 years.

The last to be charged was Anatoli Lukyanov, president of the Supreme Soviet, who was charged on Thursday. Valentin Stepankov, the prosecutor, said that all had had access to lawyers and were presumed innocent until proved guilty.

He said 14 people had now been arrested and 21 criminal cases had been initiated. The detained men include senior officers in the army and KGB, as well as a Communist party

secretary, Oleg Shenin, and Valeri Boldin, President Gorbachev's chief of staff. Leading political figures, including Aleksandr Bessmertnykh, the former foreign minister, were being questioned and even Mr Gorbachev might be asked to testify.

The Russian KGB has been deluged with letters giving information, especially from officials involved in carrying out the decrees of the ring-leaders. A Russian KGB spokesman said that he was aware of the danger of people trying to settle scores by denouncing their enemies for alleged participation.

The plotters are held in cells with common criminals. Mr Stepankov said they could not claim any special treatment, nor had any complained about their conditions.

AZERBAIJAN POLL

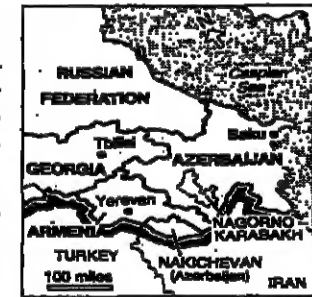
Republic favours some central rule

From BRUCE CLARK IN BAKU

AYAZ Mutalibov, the leader of Azerbaijan, said yesterday that his republic was willing to take part in a looser Soviet federation governing defence and some aspects of foreign affairs despite last week's declaration of independence.

As he spoke, tens of thousands of supporters of the Popular Front demonstrated in Baku against tomorrow's presidential elections, in which Mr Mutalibov is the only candidate. The opposition, pointing out that the republic was under a state of emergency until a few days ago, wants the ballot postponed so that other candidates have time to rally support.

Mr Mutalibov, who until a few days ago was also a Communist party boss, rejected charges that he was a political ally of the Kremlin conservatives who mounted the putsch and said he had been one of the first republican chiefs to argue that the Soviet Union could only survive as a confederation. He has strongly denied reports in the French and Iranian press that he initially welcomed the coup, which occurred when he was visiting Iran. He said yesterday that when he returned to Baku in the middle of the putsch, he and his fellow leaders had decided to "stay



quiet and try to reassure people that there was no danger of military action."

Asked what responsibilities the new federation might devolve on the central authorities, Mr Mutalibov cited military matters, in particular the control of atomic weapons. While Azerbaijan has declared itself a nuclear-free zone, he insisted that the Soviet arsenal should be kept under the collective administration of the new federation members.

He added that some areas of external relations could be handled by the centre. But the republics must be given more influence over the Soviet foreign ministry and also rights to conduct their own relations with other states. Mr Mutalibov earlier had his first conversation with Mesut Yilmaz, the Turkish prime minister, on a new Ankara telephone link.

Leningrad renaming approved

Moscow — The Supreme Soviet of the Russian Federation yesterday confirmed that its former imperial capital can return to being called by its tsarist name of St Petersburg. The city has been known as Leningrad since the death of the founder of the communist state in 1924 (Michael Binyon writes).

In a referendum last June the city's inhabitants voted overwhelmingly in favour of readopting the old name as a symbolic break with Russia's communist past. Many inhabitants have already begun calling it St Petersburg.

Anatoli Sobchak, the city's radical mayor, proposed on Thursday that Lenin's body should be removed from the mausoleum on Red Square and reburied in Leningrad.

Parade cancelled

Moscow — The November 7 military parade in Red Square commemorating the 1917 Bolshevik revolution has been cancelled by Yevgeni Shaposhnikov, the Soviet defence minister, *Komsomolskaya Pravda* reported. (AFP)

Romania rally

Bucharest — About 6,000 demonstrators here shouted for a ban on communism and the trial of those who had "enslaved" Romania during four decades of hardline communist rule. (Reuters)

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The Guildford and Woolwich Inquiry

The Inquiry is continuing into the circumstances surrounding the convictions of members and friends of the Maguire family. The Rt Hon Sir John May will hear evidence on the inception of the prosecution of the Maguires starting on 9 September at the New Connaught Rooms, Great Queen Street, London WC2B 5DA. He will hear evidence on the handling by the Home Office of the representations made on behalf of the Maguire family after their conviction starting on 23 September at the Grosvenor Hotel, Buckingham Palace Road, London SW1W 0SJ. Business begins at 11am on Mondays, otherwise at 10.30am. If you wish to contact the Inquiry the address is:

The Secretary to the Inquiry, Whittington House, 19 Alfred Place, London WC1E 7LU.

Lynne Truss, reviewing the week's television, on suspended sisters, stable relationships, child labour, and good king Arthur

Surprise! It's a stitch-up

The ability to feign surprise is a social skill that is much underrated. So often it seems the right thing to do to say politely: "Really? How amazing." instead of scoffing: "Come on, sister, tell me something I don't know." Its main function, evidently, is to protect friends from the realisation that you have been gossiping about them.

"Now listen, I have told only one other person about this in strictest confidence but, well, I've decided at last to have this massive wart removed." "Gosh," you say, your eyes swivelling while you try to remember whether you heard the news yesterday or the day before. "That's terrific. Wow. Ha ha. God's teeth, that's a turn-up."

Watching the opening episodes of well-trailed drama series sometimes demands the same kind of awkward dissimulation, the only difference being that the momentous wart-bulletin is withheld for dramatic purposes, so that you smile and wait to be "surprised" until you virtually drop from exhaustion. Take, for example, the first episode of *The House of Eliott* last Saturday (BBC1). This series is, as everyone knows, about a pair of penniless but stylish sisters who set up a 1920s fashion house. Yet at the expiry of the full 55 minutes, the poor Eliotts knew less of their own fate than the viewers at home.

They kept worrying needlessly about how they were going to pay the cook, evidently unable to hear my shouted hints of: "Don't fret, love. It's a long road that has no turning."

Every time the sisters complimented one another on their flair for clothes ("Beatrice is a wonderful dress-maker," "Give that woman some tailor's chalk and she could rule the world") we nudged each other and said: "This is it." But instead of a climactic "Tell you what, let's go into the rag trade!", we were left with a rather disappointing cliff-hanger about whether Beatrice (Stella Gonet) would accept a job in a photographer's studio. Having now endured a further seven wearisome days of pretending we don't know what will happen next, we can only hope that the penny will drop tonight, and that the sisters will be safely up to their ears in bobbins and crêpe de Chine by the time the credits roll.

Trainer (BBC1), on the other hand, managed to shrink the introductions to a single episode, which means that things can get properly started tomorrow night. In last week's final scene (after a pretty exciting story about racing), we saw gorgeous, brooding, downtrodden, alcoholic horse-trainer Mike Hardy (Mark Greenstreet) surveying the stables where he will reign supreme, and dramati-



cally hurtling aloft a half-finished bottle of hard stuff. This supposedly indicates that he is rejecting the alcoholism and downtroddenness, though the brooding and gorgeousness may persist. The stables, by the way, were clearly brand new, but had been artfully festooned with wisps of straw and empty sacks to give the impression of a ramshackle place desperately in need of a reformed alcoholic's elbow grease.

Small-time entrepreneurs are seemingly a fashionable subject for television drama, perhaps because the real-life catastrophic failure of small businesses has placed the subject back firmly in the realm of fantasy. In *EastEnders* (BBC1), for example, the noisome Ian Beale

goes from strength to strength with his Meat Machine business, he has acquired huge spotless kitchens, and a permanent, full-time, underage staff which makes the whole shebang resemble something from *Bugsy Malone*. On the other hand, the fact that Ian still looks and behaves like a 12-year-old with a toy Filofax only adds credence to his entrepreneurial ruthlessness.

The daddy of them all, of course, is *Minder* (Thames). It was so wonderful to have the series back on Thursday — even minus Dennis Waterman as Terry and Patrick Malahide as the infinitely pained Mr Chisholm — that (to quote Arthur Daley) I revelled in it like a pig in porridge. "I could be so good for you, la-la-la-la...": all those

forgotten silly plots involving up-town blondes falling for Terry's rough-trade flabby-necked sex appeal came flooding back, untoppably. "Love you like you want me to..." even though they had taken Waterman's vocals off the theme music, I would bet that half the viewers were singing along to it at the end of the show.

The appeal of *Minder* was always its clever cockney in-joke stuff, and this first episode of the new era (written by David A. Yallop) started with a splendid gentle send-up of *The Godfather*, which made one feel instantly safe in its hands. George Cole held court backstage at his niece's wedding reception, blithely promising to donate Terry's muscle power (which had,

unknown to him, just checked through Customs) to help out his admiring band of male relatives. From the dance-floor, a familiar Sicilian theme tune could be faintly heard. Don Arthur Corleone Daley wore a black cashmere coat with shoulders apparently padded to add 18 inches to the width of his body.

That was a crafty, tongue-in-cheek way of introducing the new "minder", Ray Daley (Gary Webster). With Arthur in the mood to confer favours, here was Ray's stammering father asking the big man to look after the boy and keep him out of trouble. On the other hand, any suspicion that Daley had miraculously achieved a dignified criminal status was simultaneously undermined by the sight of him feeding 10p pieces into a pay-phone, sweet-talking an outraged Bradford customer to whom he had just supplied a shipment of non-adjustable Japanese wrist-watches set nine hours ahead. His big talk about foreign investment ("Daley into Europe") amounted to calling up a dodgy Brussels car-supplier and saluting him with a jaunty: "Au voir, Pierre."

But what of young Ray? Can he ever make up for the loss of Terry? He is certainly a believable type: smart, dapper, a bit cocky, worldly but innocent. But the point about *Minder* was always that Arthur could not only be a swindling, exploitative employer (he is already threatening Ray with stoppages from his non-existent wages), but was also weak and disloyal; he betrayed Terry once too often, and the relationship (as I remember it) turned very sour. Whereas Shylock might agonise between the loss of his ducats and his daughter, Arthur increasingly chose his money over his minder.

Ray is clearly not as dim as Terry; he seems less of a fall guy. Perhaps the notion of making the new minder a blood relation is to prevent such unpleasantness repeating itself.

Straits down the middle

ROCK
Dire Straits
NEC, Birmingham

DIRE Straits' return from five years' hiatus finds the nation's in-car CD systems whirring with anticipation. The band's last album, *Brothers in Arms*, the biggest-selling LP in British history, has become synonymous with a vast base of people in their late thirties who prefer their rock on the manicured side. Dire Straits will tour for the next two years to achieve equal status for the new LP, *On Every Street*.

Success seems assured, to judge by the fervour that accompanied this first of five NEC dates. Under-thirties were predictably scarce, but many in the audience were substantially older than the Straits' fortyish guitarist, Mark Knopfler.

Several stood at the foot of the stage in respectful silence, watching Knopfler's fingers skim his fretboard. Indeed, Knopfler too appeared to be detachedly observing his hands, as though they were moving of their own volition. This disconnection of the link between head and heart, the Dire Straits trademark, produced a bloodless yet compelling show. For a virtuoso, Knopfler cut an unexpectedly relaxed figure as he strolled about, effortlessly extracting notes. Although Dire Straits are nominally a band, the other members mainly serve as a setting for Knopfler's guitar eminence.

Songs such as "Romeo and Juliet" and "Private Investigation" spotlighted the group's particular strength. Their live performance revealed sleek blues structures and understated drama. Knopfler sang the lyrics casually, almost as an afterthought. From such fragmented elements is derived the Dire uniqueness, such as it is.

The band's gloss-perfect music, both live and recorded, raises the question of whether one actually needs to experience Dire Straits in expensive and uncomfortable concert surroundings. On balance the answer is yes. It would have been a shame to miss Knopfler's headband.

BENEDICT
NIGHTINGALE

CAROLINE SULLIVAN

Few tears shed for small town sadness

THEATRE
Our Town
Shaftesbury

AS I left this revival a memory hit me: of a cadaverous man in a dressing gown, surely a cancer victim, being pushed by a nurse down a London street. He was looking at the houses, the trees, the passers-by, with a beatific smile, as if seeing them for both the first and last times, which I suspect he was. He would have understood what Thornton Wilder meant when he called *Our Town* "an attempt to find a value above all price for the smallest events in our daily lives". Those we never notice except when we are losing them.

This aim remains noble; but in the first two acts it creates a problem for a modern director, as it did for Wilder back in 1938. How to give dramatic energy to "the smallest events

in our daily lives"? Specifically, how to keep a London audience interested in a tiny New England town, which the narrator is honest enough to describe as "a very ordinary place, a little bit better behaved than most, but probably a bit duller"? The talk here is of school, the quality of the bean crop, the occasional excesses of an alcoholic choir-master, and the weather, especially the weather.

Robert Allan Ackerman's production does grab the attention, but sporadically. The stage is bare except for chairs, a couple of tables, and some wooden steps. On amble Alan Alda, exuding brown-suited, pipe-smoking bonhomie, he earnestly guides us through the evening's events. This may be what Wilder wished, yet I found myself missing the edge, the bite and (later in the play) the sardonic understanding of cruelty and pain that

Spalding Gray recently brought to the role on Broadway. For all his beaky charisma, Alda is a bit bland.

Nor are the rest of the cast as successful as their American counterparts when it comes to animating their little world. The story, such as it is, involves the Webbs and the Gibbs, neighbours whose children grow up together and eventually reach a romantic understanding in Mr Morgan's ice-cream parlour. Robert Sean Leonard's George moves touchingly enough from a timid boy to a sensible if nervous husband-to-be. Jemma Redgrave's Emily is, however, apt to signal anxiety by screwing up her face, wringing her hands, and generally acting, if not as an earthquake, at least as an over-obvious earth tremor. Of the parents, Rosemary Martin and Rowena Cooper prove more potent than John Rowe and the usually excellent John Normington.

Do they prepare us for what really matters Wilder's last act? This is written from the stance of the local graveyard, now the home of George's mother, Emily's brother and, after a disastrous childbirth, George's young wife, Emily herself. She it is who unsettles her fellow-dead by insisting on returning to watch her twelfth birthday, an event which leaves her with that terrible sense of loss, waste and misuse of time, which is Wilder's true subject. "It all goes so fast," she wails. "We

don't look at each other." Moving words, and quite movingly delivered. Yet I did not see the "red eyes, swollen faces and mascara stains" Wilder reported witnessing at the play's Boston opening. Worse, I didn't observe them in myself. The trouble was not, I think, English repression or metropolitan disdain for American folksiness. The production has yet to generate its full emotional power.



Our Town: Alan Alda and Robert Sean Leonard

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ROYAL OPERA HOUSE

Organic Mahler

PROMS
CBSO/Rattle
Albert Hall/Radio 3

TWO Proms by Simon Rattle and the City of Birmingham Symphony Orchestra are special events — particularly when one is the performance of Mahler's mighty Ninth Symphony. Rattle's interpretation of that symphony confirmed his credentials as a great Mahlerian, but in an entirely unpredictable way.

His trenchant approach to so much repertoire led one to suppose that his treatment of the Rondo-Burleske movement would be the last word in grotesquerie. But in place of hysteria, we had a clear-sighted concentration on the work's organic structure: every detail was weighed in precise relation to the whole, and even — or perhaps especially — the passages of fragmentation and dissolution had their allotted place in the overall emotional curve. If this was a less visceral performance of the Ninth than many, it was one that derived its power from other sources.

A similar capacity to cultivate organic growth was demonstrated the previous evening when Rattle conducted Prokofiev's Symphony No 5 and *Officium*, a concerto for violin and orchestra by Sofia Gubaidulina.

Prokofiev's Fifth was an attempt to make the kind of grand, heroic statement that Shostakovich had made in his "Leningrad" Symphony. But it is also a deeply personal utterance, as is evident from the way the first movement unfolds at a moderate pace rather than assailing the senses with a battery of noise.

That underlying purpose, a sense of direction and burning conviction, emerged with unmistakable force during the first movement, reaching a climax of blinding intensity. In the finale, Rattle showed great skill in moving between different levels of intensity, steering the work in masterly fashion towards its ultimate climatic outburst.

Gubaidulina's concerto, written for Gidon Kremer — who played it with extraordinary accomplishment and conviction — makes a different kind of statement, yet one that is firmly rooted in the culture of her native Russia. The fugal subject of Bach's *Musical Offering*, initially announced in scoring of a pointillistic subtlety, is a constant presence. But the most moving passages of this mysterious yet profoundly communicative work are those moments of meditative stillness, when the soloist leads his colleagues along what sounds like a narrow, spiritual path, way beyond everyday experience.

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Clifford Longley

Politicians remain deaf to wisdom if it is preached

One of the sub-themes of the 1980s was the mutual incomprehension between the first and fourth estates of the realm. The first estate is the clergy (in classic usage, the lords spiritual) and the fourth, following Burke's adage, is the press. They did not live comfortably together, and seemed to make more of a mess of it as the decade progressed.

Archbishop Derek Worlock of Liverpool was and is a frequent victim of this failure. He bitterly remarked this week: "If you confine yourself to generalisations, you will be accused of moralising... and if you attempt to be specific and to deal with actual issues which affect the real life of people today, you must be prepared for the accusation of political interference." But churchmen who confine themselves to generalisations are lucky to be accused of anything. More often their words are dismissed in newspaper offices as "just moralising", and the public never has a chance to read them.

The cross such churchmen bear is to have to work at the unclear boundary between relevance and competence. They are deemed to be expert when they expound the Bible or a point of Christian doctrine. They are deemed to be venturing into territory in which they are not expert when they try to apply this biblical or doctrinal teaching to actual cases.

There is some merit in the charge. Degrees in New Testament studies are rather more common among churchmen than degrees in economics. A churchman's opinion on the size of this year's borrowing requirement is no better than anyone else's. Outside their own expertise, the clergy are amateurs, and one reason they do not recognise the dangers of this is that the churches in Britain are still marked by organised amateurishness. They are also driven by an unfocused desire to be "relevant" to the concerns of the crowd, but the onward march of secularism takes the concerns of the crowd further and further from the subjects in which the clergy are expert. So a gap is opening up between the clergy's relevance and their competence.

How do they shout across it? The first mistake is to simplify it into Archbishop Worlock's categories. He accuses his critics of saying "stick to your harmless churches and stop attacking the government". If it were not for his "harmless churches", nobody would ever have heard of him or his views on urban deprivation or whatever. There can be no objection in principle to his attacking the government. The objection comes if he claims an expertise his ecclesiastical office does not give him.

The second mistake is to assume bad faith on the part of those who attend to a church leader's political views less than he would like. Prescribing may be ideal in the pulpit, but it is poorly suited to political controversy, where the manners of discourse are different. Amateur sociology plus a biblical quote or two does not equal prophecy: it is a "botter than thou" display, often buttressing second-rate argument.

It is possible both to agree with the broad sentiment of church statements about, say, the inner cities, and yet to be irritated by their *anathema sit* tone. This was one of the main reasons for negative Tory reaction to the Anglican report *Faith in the City*. The government did afterwards give more attention to inner-city problems, but the immediate reaction of cabinet ministers was irritation.

None the less, churchmen have an eye for the causes of social malaise, and so do have insights missed by others. But they too easily fall into the temptation to reduce all social tensions to one polarity, selfishness versus unselfishness, a model with little relevance to the mass attitudes and behaviour handled by politics.

Archbishop William Temple had the greater truth, saying "The art of government is the art of ordering life so that self-interest prompts what justice demands." These are the social systems that thrive: constructing them is what politicians instinctively know about. To reject the pursuit of self-interest as un-Christian is to reject the very basis of the political process.

Only a race of saints would pursue social justice in the abstract without reward. Churchmen have not yet discovered how to achieve that: meanwhile they must preach to the unconverted. But if they cannot find the appropriate tone, the unconverted have the luxury of ignoring them.

Peter Carey's novel shows Australians as greedy and corrupt. Jane Wheatley reports on their reactions

Something rotten down under



Peter Carey: harbouring a grudge against Sydney?

little... Too unguarded and facile a disdain for what he takes to be the national condition is visible. Several reviewers have referred disparagingly to Carey's background in advertising. The playwright David Williamson said that those who knew Carey were not surprised to read his indictment of Sydney. "After all he worked in an advertising agency and what you have to do

in a city conditions how you feel about it." A senior city QC agreed: "As an ex-ad-man who has profited from this city, he is in a perfect position to judge its condition. He paints an accurate picture but I doubt many people want to confront it. Sydney society doesn't like to look in the mirror."

The playwright Robert Drewe was refreshingly down-to-earth: "This is a city of four million people. It would be surprising if it did not suffer from urban decay and late 20th-century malaise."

But it is not just Carey's expatriate disdain for the moral decay of the 1980s that has touched nerves. People have also been disturbed by the poisoned lives and hopeless dreaming of the book's main characters — the fantasies of a materialist society.

Carey believes that because the town was founded on a concentration camp for transported criminals and genocide of the native inhabitants, it is trying to find a way of building something good on a damaged past. Physically as well as emotionally, the landscape that Carey's characters inhabit is desolate — service stations, car breakers, drive-in bottle shops, three lane highways — which, as some have noted, is a far cry from the pretty little bay on

Sydney Harbour which finishes its sweeping curve in a spit of land where Peter Carey's home stands. (It is currently rented out, while he teaches creative writing in New York.)

A more sympathetic view is expressed by the writer and reviewer Elizabeth Riddel. Carey is in exalted company, she says. Both Patrick White and the historian Manning Clark expressed similar views about Sydney. "Clark believed that somewhere in history we went wrong, that there was a turning point when we could have made something strong and good, but missed the chance." She adds, however, that both White and Clark loved Australia. "They criticised us because they so much wanted us to be better. I'm not sure that Peter is in the same category. I don't know how much love is there."

Although Carey vowed never to return when he left Australia in the late 1960s, he no longer thinks he could live elsewhere permanently. "Run where you like, you can't get away from the country that made you."

The cold light of independence

Russian domination and ethnic disputes threaten the future of the Baltics, says Anatol Lieven

The recognition of Baltic independence by President Gorbachev at the Soviet State Council yesterday concludes an epic struggle. Over the past year, despite its drama, this has claimed fewer than 230 Baltic victims of Soviet rule, but the people in the new republics have not forgotten the tens of thousands of their people who fought and died as "Forest Brothers" in guerrilla wars against Soviet rule after 1944.

Without help from the West, these fought on against hopeless odds into the early 1950s. The last of the partisans in Estonia, August Saks, remained in the forests until 1978. Finally hunted down by the KGB, he drowned while escaping, rather than surrender. His stand and that of countless others helped to inspire the Baltics of today to fight for independence.

Balts may well need to draw upon the glorious memory of this fight over the next few years as much they have over the past few. Independence is unlikely to be easy. Their economies are still integrated with the Soviet Union, and if it collapses they risk being pulled down too. Both reforms and ethnic harmony are threatened by the loosening of the self-discipline imposed by the struggle for independence, by chaotic internal politics and by the rise of chauvinism.

Large numbers of Soviet troops are still stationed in the Baltic states — but how many, their governments do not know. The negotiations over withdrawal will be tough, because the Soviet high command regards the Baltic as an area of great strategic importance. Agreement on the retention of some bases can doubtless be reached. More dangerous may be the continued links between Soviet officers serving in the Baltic and retired ones who

have settled there and have been leading local Russian opposition to independence.

Balts are acutely aware of their dependence on the Soviet republics for raw materials. In particular, they have at present no alternative to Russian oil, given their lack of hard currency to buy supplies on the world market. This gives Mr Yeltsin a lever which some Balts fear he may use to keep the Baltic states within a de facto Russian sphere of influence, and to intervene on behalf of the substantial Russian-speaking minorities.

Even without this political element, the Baltic economies are threatened by the collapse of the Soviet trading system. Fodder supplies from Russia and the Ukraine for the large Baltic meat and dairy farms have been sharply reduced in recent months. In response the Baltics have reduced their food exports to the Soviet republics, so reducing their chances to barter food for other essential goods, including fodder. The problem has of course been exacerbated by national sensibilities.

Last year, a Baltic common market was announced amid much fanfare, but shortly before the Soviet coup the head of Latvian customs described hopes for a Baltic customs union as "utopian". The Baltic states are imposing the same restrictions on exports of food and consumer goods to one another as on trade with other republics. Unfortunately, they all produce much the same kind of goods, and none of them can provide raw materials. The main Lithuanian oil refinery supplies Latvia with petrol, but has had to cut this back as its own supplies of Russian crude oil have dwindled.

Traditional national resentments are also getting in the way of joint work, as they did during the last period of independence.



Freedom day in Vilnius: but already the Baltic republics are hoping for £3 billion of aid

Then, despite the obvious common interest in co-operation, it was not really achieved until the mid-1930s. The Baltic delegations at the League of Nations regularly failed to support each other's initiatives.

Over the past year, officials in all three republics have complained bitterly to me about the failure of the others to consult them, despite the existence of a Baltic council. Last week, Lithuanians expressed strong resentment at the failure of the Latvian government to inform them about the visit of Boris Yeltsin.

Classically, this was accompanied by dark Lithuanian suspicions that the Latvians are about to surrender to Moscow and join a new confederation. The Estonians, for their part, are proud of their much more developed economy, and are afraid of being dragged down by their Baltic neighbours. For

these reasons, economic and even political links within the Baltics are likely to remain much less important than external ones.

But even more important than Baltic relations with the outside world may be internal relations with the minorities. So far, the record has been mixed. All too many local Russians and Poles have supported local communist hardliners, who are now completely discredited. Their

disappearance makes it possible to envisage the rise of a Russian democratic movement in the area, but so far the Russians have been given little encouragement by the Balts, and non-Balts are very sparsely represented in the present government.

The Lithuanian government has just alarmed local Poles and Russians by putting its own officials in to run two communist-dominated local councils in minority areas.

Russians in Latvia and Estonia feel insecure because of the lack of laws determining citizenship in the newly independent states, and fear that language laws may be used to exclude the minorities from higher education and state employment. The mainly working-class Russian-speaking populations are also more threatened than the Baltics by economic change.

This is an additional reason why generous Western aid is now so important, to reduce tensions by helping economic reform. The Baltic states are small — their total population amount to fewer than 8 million people — so the sums involved do not have to be large compared to those needed in Eastern Europe. The sum of 3 billion has been mentioned by the Baltic states as a whole in its medium term.

The Baltics also need associate membership of the European Community as quickly as possible, both for economic reasons and so that they can be drawn into a web of international connections which will discourage any future Russian intervention or aggression in the area.

In any case, Britain, France and other countries are under a moral and legal obligation to compensate the Baltics for their gold reserves, which were covenanted to Moscow's account in 1967. The West could have done more to help the Baltics over the past 18 months, and now that the risk of conflict with Moscow has disappeared, it would be shameful to fail them again.

...and moreover

PHILIP HOWARD

The better the writer, the shorter his (or her) words. Well, up to a point. Lady Laconia. It depends a bit on the writer and the topic. I am not having Thomas Browne and Sam Johnson and Henry James ruled out of the class of good writers just because they had a taste for ornate and sesquipedalian. Shakespeare, characteristically, made the best of both worlds, bouncing long Latinate words up against short Anglo-Saxon words with stunning effect. "No, this my hand will rather / The multitudinous seas incarnadine, / Making the green one red."

We live in an age of throbocracy, to coin a long word, or government by upsurge and long words. We say horrendous where we could say horrid, simplistic where we mean simple, protagonist where we mean leader or champion, proportion where we mean part, rationale where we mean reason. There are two tendencies at work here. One is the understandable wish of politicians and journalists and other public pontificators to sound wiser than their audience. It would never do for our constituents or readers to realise that we are ordinary people with ordinary vocabularies, just like them (some of them already suspect as much). So we have a tendency to prefer the long important-sounding, woolly word to the short, sharp one.

The other tendency that makes us prefer long words to short words is that custom

blunts the point of short words. Horrid on its own was once a strong word, meaning terrible or frightful. Dryden: "An horrid stiffness first invades the ear." And in that silence we the tempest fear. Centuries of use have weakened it to what the first edition of *The Oxford English Dictionary* described as "especially frequent as a feminine term of strong aversion". Tom Jones: "Neither can one give the names of sad stuff, horrid nonsense, to a book without calling the author a blockhead." Because horrid has been eroded to a weak (according to Oxford) "feminine" word, we have invented horrendous, by adding the gerundive suffix to the Latin root, for the occasions when we mean "listen, we mean this is seriously horrid, no female squeamishness about it".

Simplistic is another new, longer, impressive word from the jargons of literary criticism, sociology and politics. In many contexts where it appears, the old, shorter word, simple, is what is meant, and would be an improvement.

But not in all contexts. Contrary to the simplistic baying of populist Visigoths, not all the new jargon is gobbledegook heard in a small number of contexts, simplistic is the right word for describing something that is excessively and misleadingly and systematically simple. It is a useful new critical word, which is always a put-down. It can be a compliment to have

something described as simple, like the lilies of the field. It is never pleasant to have one's ideas described as simplistic.

It is too late to do much to rescue the poor old protagonist from his misadventure by lovers of long words. It used to mean the first actor, the principal, in early tragedy. The Greeks had only three actors, plus chorus with leader. There was the protagonist, deuteragonist or number two, and tritagonist or number three. But that was in another country, and long ago. Protagonist has not been helped by his accidental resemblance to antagonist, where *agon* is used in a different sense. To talk about a chief protagonist is as tautologous as talking of a round circle. To say "one of the chief protagonists" grates on the ears of those who care about language.

Proportion and percentage are widely used by lovers of long words as sonorous substitutes for part or most. Proportion means a relationship or ratio between parts. When you read about a proportion in the blatts, or hear of one in a party political broadcast, prick up your ears and raise your eyebrows. Quite often what you are reading or hearing is love of the longer word. "The greater proportion of these old bands have by this time already dropped out." Nothing here to do with proportion. Part would be the right word, if it were not so damnably simple and short.

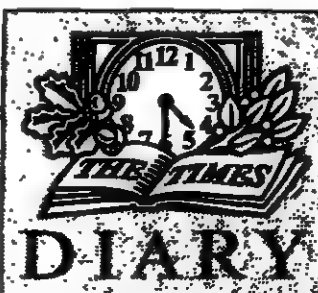
The better the writer, the shorter his words.

Jarndyce v the Baltics

THE world's three newest nations marked the recognition of their independence by the Soviet State Council yesterday by flexing their new legal and diplomatic muscle to secure the return by Britain of the long-disputed Baltic gold. The Baltics' account in Britain was frozen when the states were annexed by the Soviet Union in 1940. Then in 1967, the Bank of England requisitioned the gold to compensate companies which had suffered losses during the annexation. The Foreign Office has promised to consider the case constructively.

If Britain nevertheless refuses to pay £112 million in lieu of the bullion, the Baltic Council in the UK is preparing to take the matter all the way to the European Court. Sir Frederic Bennett, vice-president of the council, is confident that if diplomatic efforts fail, the process of law will guarantee success. "There was an amendment to the 1969 Foreign Compensation Act to authorise the appropriation of the gold which precludes legal action in this country. It is now unlikely that it can be upheld," says Sir Frederic, a constitutional lawyer. "If it went to the House of Lords, we think we would win."

If that failed, the next step could be the European Court in Strasbourg, which Sir Frederic believes would be certain to rule in favour of the Baltic states. Before pursuing the case in Europe, however, Sir Frederic wants first to secure full status for the Baltic countries at the Council of Europe. He flies to the Baltics next week to advise the foreign ministers of both Latvia and Estonia about how to set about applying, and to discuss securing the gold.



Home from home

MEANWHILE, the new states are beginning the search for suitable accommodation in London's embassy-land and are considering an unusual offer from the Halkin Hotel in Belgrade. The hotel is ideally placed between the Mexican and Spanish embassies, and Nicholas Kettie, the manager, is offering accommodation to all three Baltic legations until they can find a more permanent address. He has discussed his approach with the Foreign Office and says: "We have all the fixtures and telephones they would need and the best security in London."

The existing legations are all keen to leave the front-rooms and basements from which they currently operate, but have taken no decisions yet. "We are desperate to move but we are waiting permission from our foreign ministry before we can decide where to go," says Marie-Anne Zarina, from the two-roomed Latvian headquarters in Baywater. "The only thing we are sure of is that it has to be a lot bigger than where we are now."

John Major must be glad he did not suffer the problems in China experienced by a Whitehall permanent secretary on a recent trip to Japan. Wondering why the famous Japanese hospitality was all being lavished on his juniors, he made

enquiries. The answer soon became clear. The translation of the senior man's title had demoted him to a "perpetual typist".

Damn fine critic

THE Lonach Highlanders, who marched over the hills yesterday to display their new colours before the Queen at today's Braemar gathering, have been having a little bit of horse trouble.

The difficulties started when in training for the great day, the regimental horse, Chieflain, made it clear he could not abide the sound of the Scottish pipes. In an attempt to accustom the poor beast to the sound he was sent to an Aberdeenshire riding school



where he was subjected to a round-the-clock diet of taped bagpipe music played on a huge ghetto-blaster.

It was all to no avail. If anything, Chieflain developed a still greater aversion. "He wasn't too keen," admits the Lonach Highlanders' secretary, Glibbie McIntosh. His handler, local farmer Willie Grey, is blunter. "He was no bloody use at all." A substitute has now been found to parade before the Queen at Braemar: a patriotic Scottish beast called

Ask the experts

THE TUC will be delighted to learn that even the government's own advisers recognise that trade unionism continues to have uses. The environment department recently appointed a firm of professional consultants to look into how it might introduce more competitive tendering in local government. As a first step, the firm decided, perfectly logically, to talk to those who know about the subject. The only problem was to be the very trade unions who have spent the last decade fighting the government over the issue.

Undeterred, Giles Houghton-Clark, of the consultancy, picked up the phone to the anti-privatisation unit set up by Nuge, the local government union. He asked for a full briefing on the government's earlier privatisation acts. "We certainly felt it was a bit strange. We are here to try and help the workers who might be adversely affected by his advice to the government," says the union.

Houghton-Clark says: "I just wanted the information for a meeting I was going into. I needed to be well briefed."

The former bishop of Barking, Jim Rookburgh, has developed a racy line in after-dinner stories following his recent retirement. On one occasion, he was presiding at a school prizegiving when a young woman tripped while mounting the platform. With true Christian charity he swiftly helped her to her feet. "This is the first time I have ever had a fallen woman in my arms," declared Rookburgh. "Aid I've never been picked up by a bishop before," came the reply.



BALTIC DAWN

Lithuania, Latvia and Estonia are free. Their poets and historians will one day tell the romantic story of how these tiny nations liberated themselves. They did so despite a campaign over half a century to expunge all memory of their former independence.

Though battle-hardened, the young governments in Vilnius, Riga and Tallinn are unaccustomed to the pitfalls of peace. Among the first attributes of sovereignty is monetary independence. Public eagerness to escape the shadow of the inflated rouble is so great that the leaders cannot waste time. But improvising three new currencies — the Estonian kroon, the Latvian lats and the Lithuanian litas — is a daring undertaking.

The launch of these currencies will require reserves. All three Baltic states now need their prewar gold reserves, held in trust after Soviet occupation in 1940. While France has promised to pay the equivalent of its 2.1 tons, the British government has not yet offered to compensate the Baltic states for the 14 tons formerly deposited in London.

Now worth an estimated £112 million including interest, these reserves were sold in 1967 as part of a deal between Harold Wilson and the Soviet premier Kosygin. Since the Soviet occupation of the Baltic states had always been held by Britain to be illegal, this expropriation was quite possibly invalid under international law, and in any case wrong. Rather than oblige the Baltics to take Britain to the European court, John Major should graciously settle up now.

"Guns will make us powerful, but butter will only make us fat." Though Boris Yeltsin's promise this week to disarm is reassuring, among the former Soviet peoples it is the Baltics who, by evicting Soviet forces, are the first to reverse Goering's dictum. One day Baltic butter should be as common in British shops as it was before 1939.

The economies of the Baltic, particularly Lithuania's, depend heavily on agriculture.

If they are to earn the hard currency they need to renew their industrial capital and infrastructure, Baltic food exporters need ready access to the markets of Western Europe. Like Poland, Czechoslovakia and Hungary, they too need full European Community membership in due course, as John Major indicated yesterday.

Relationships between the Baltic states and their neighbours, foremost among them Russia, will demand delicacy on both sides. Large Russian-speaking minorities remain, especially in Latvia and Estonia. Apart from the minority who backed the coup, these Baltic Russians do not deserve to be treated as potential fifth columnists — but such fears will take time to subside. All three republics should make real efforts, not mere gestures, to integrate ethnic Russians and Byelorussians, by inviting representatives to join the new governments. In Lithuania the Polish minority, on whose interests Warsaw has its eye, will also need tactful handling.

President Landsbergis of Lithuania led the struggle for independence with courage, outshining his Latvian and Estonian colleagues. But his uncompromising leadership style, so necessary in defying President Gorbachev over the last two years, could now bring the republics into unnecessary conflict with the leaders of their no less robust neighbours, Boris Yeltsin and Lech Walesa.

The recovery from communist rule will be laborious for all who endured it, including the Baltic states. Wrangles are probable over former Soviet property, including military bases, in the Baltic states. Later on there could be trouble over Lithuanian, Polish or German claims to the Russian enclave of Kaliningrad (Königsberg). As national liberators Messrs Landsbergis, Yeltsin and Walesa overcame a common enemy, by falling out among themselves they would risk everything they have achieved.

ASHDOWN'S GUERRILLA ARMY

The Liberal Democrats have re-established themselves as a plausible third force in British politics. The party has put the disasters of the merger fiasco of 1987-88 well behind it. As activists arrive in Bournemouth this weekend for the first of this year's round of conferences, the party is in better shape than at any time since the heyday of the SDP-Liberal Alliance in the early-to-mid 1980s.

The Liberal Democrats have won two by-elections in the past year, at Eastbourne and Ribblesdale, and are well-placed to win a third, at Kilmarnock and Desiderio. The party is well-established in the polls at around 15 per cent, even touching 19.5 per cent according to yesterday's Gallup survey. Paddy Ashdown's personal rating as party leader is ahead even of the popular John Major. Nor is there any more diversion from the SDP, now Dr David Owen is bowing out.

So far so good. The old Liberals in the 1970s and the Alliance in the 1980s were in a similar position, poised to advance but never quite making the breakthrough. In a first-past-the-post electoral system, once a party reaches 15 to 20 per cent its prospects are dependent on the performance of the two big parties. The Alliance only prospered in 1981-83 when Margaret Thatcher's government was in the depths of its pre-Falklands war unpopularity and when Labour was in the midst of the Michael Foot interlude. Now Conservatives and Labour are back fighting over the centre ground, leaving limited room for a third force to develop. The much discussed realignment of British politics remains as elusive as ever.

In the short term Mr Ashdown's goal is to avoid being squeezed by the other two parties. He must be noticed. His high profile during the Gulf war was a successful start and now the party is adopting a self-consciously "bold" programme, willing to con-

sider higher personal taxes. That would make no electoral sense for either major party because of the risk of alienating potential supporters. For a guerrilla army like the Liberal Democrats such an approach could attract more than it might repel. In this respect, the policies to be debated over the next week, of which there is no shortage, matter less than the impression created. It is irrelevant to the future of Britain what Liberal Democrats think about sterling or interest rates. All that matters is that they should not discredit themselves as a refuge for disaffected voters.

The Liberal Democrats could have an influence on the outcome of the next general election and its aftermath. Enough voters could be reluctant to give the Conservatives a fourth term, or be wary of a Labour Government under Neil Kinnock, to give the party a repeat of the successes it enjoyed in 1974 or 1983. It is even possible that the party could, along with the Ulster Unionists and various nationalists, hold a balance of power if neither the Conservatives nor Labour win an overall majority. But whatever fantasies its tacticians may have about such moments, they offer the party little but the prospect of another early election. Either the Conservatives or, more likely, a resurgent Labour would call its bluff over threats to vote against a Queen's Speech that did not promise electoral reform.

Mr Ashdown's hope is that Labour will fail to win the election and then endorse proportional representation, or an electoral pact with the Liberal Democrats. But such has been the hope of every Liberal leader since Jo Grimond took over the party 35 years ago. All that Mr Ashdown can do is keep his commandos in order, waiting for other parties to make the periodic mistakes that fuel his equally periodic dreams of power.

ARCHITECTS AT ODDS

How should architects be chosen? The architecture correspondent of *The Times*, Marcus Binney, has suggested that competitive tendering for big commissions is being distorted by partisanship among judging panels nominated by the Royal Institute of British Architects. By implication, the bad old Modernists were defending their jobs against bright new Post-Modernists by rigging the competition system. The former had hijacked the designs both for the new Scottish national museum and for the Dulwich gallery extension. Architects writing to *The Times* have hit back.

Competitive tenders are a good thing. Architects have gone further than most professions in helping clients choose between them. Surgeons, engineers, accountants, and lawyers seldom set out their wares so that customers can make an informed choice. Some architectural tenders have become all singing and dancing beauty competitions. Firms are expected to put themselves to great expense — and even great humiliation — to get work. As one correspondent wrote, the subsequent relations between client and architect can often be blighted by the experience.

So far, all credit to the architects. But who should choose which architects should be invited to compete, and who should select the winner? Private clients have no problem. They choose for themselves. If a white wall or flat roof looks hideous in the drawing, they can demand turrets and gargoyles. But even they are at the mercy of whoever suggests a list of names: hence Lutyens' habit of never missing a dinner party. The Royal Institute of British Architects may offer advice, but who advises it on its advice?

In the public and institutional sector controversy is even more fierce, especially at a

time when architecture is riven with deep stylistic divisions. Richard MacCormac, RIBA president, implied in a letter that he knew of no battle of styles. Of such naive conspiracy theories are born. There are senior architects today who believe other senior architects do not deserve the name. Epithets such as Disneyism, pastiche, Stalinism, even (last week) Hitlerism are hurled at each other by serious professionals. Not surprisingly, lists of judges are scrutinised. The howling down of the Scottish museum judging panel (for being too Modernist) parallels the howling down of the Paternoster Square group (for being too neo-classical).

Some of this is to the good of architecture. The discipline can hardly argue that the postwar years, when it pursued its course behind closed doors, were particularly glorious. Few professions so disregarded public opinion or so outraged public taste, with so few subsequent apologies, as did architecture in the 1960s and 70s. Their lack of repentance makes architects vulnerable to attack not just from the Prince of Wales and public opinion but from a younger generation of designers.

Nobody would deny that professional competence is necessary in those who design buildings. But in the choice of style, and in the design itself, the customer should be sovereign. In the public as well as in the private sector the function of a professional judging panel, preferably reflecting all factions and persuasions, should be to reject the incompetent and shortlist the rest. Winners from the shortlist should be chosen by those who have to use and enjoy a building, by means of properly conducted surveys. Such choice exists with private buildings. It should be extended to public ones. Architects should not be afraid of the exposure.

Road traffic lessons from abroad

From Professor W. P. Bradshaw

Sir, Your leading article, "Orbital nonsense" (September 5), says: "One day a system of road pricing will be devised that will be fair, collectable and not disruptive to traffic flow".

Oso is surrounded by a ring of road-pricing toll booths. I stood by one of these, on a three-lane motorway during a wet morning rush hour this summer. There are six "gates". Motorists with electronic season tickets fixed to the windscreen of their cars pass through two of these gates without reducing speed and are processed automatically. At three other gates drivers simply drop a coin into a container and are allowed to pass. At the sixth gate, staffed by the attendant, receipts are issued. Buses pass free.

At no time did I see more than six vehicles queuing to pay. The technology works. What is lacking in Britain, I feel, is the political will to bring economic discipline to road users.

Yours faithfully,
BILL BRADSHAW,
Centre for Socio-Legal Studies,
Wolfson College, Oxford.
September 5.

From Dr W. H. Emerson

Sir, In your editorial the only evidence that you cite for your conclusions about disincentives for road users is the 12 mph threshold during rush hours; yet you conclude that the best way to curb increases in traffic density is to raise road-use prices to a market-clearing level, without speculating as to what that level might be.

Paris, with its excellent passenger rail service, is often held up in Britain as a city with an enlightened public-transport policy, yet its roads are perpetually clogged with parked cars (a third of them illegally) and traffic is reduced to a crawl or is halted for long periods throughout the day and evening. All the evidence suggests that the level of inconvenience, not the cost, of using a car is the overriding factor.

If I drive to work the marginal cost (fuel and parking) is some 18 times the cost of going by Metro, yet four fifths of my neighbours in the block of flats in which I live use their cars to drive to work.

If the electronic wizardry that is necessary for imposing tolls on road users is available it can be equally applicable to other ways of rationing the use of urban roads that have a closer relationship with the urban

dwellers' legitimate rights and needs.

Your proposed blunt instrument of a sharp increase in petrol tax would be likely to produce a budget surplus of historic proportions (abolish income tax?) if it was to have a real effect on urban road congestion, and would be a disaster for country folk.

Yours faithfully,
W. H. EMERSON,
7 rue Montauban,
75015 Paris.
September 5.

From Professor R. T. D. Oliver

Sir, I support your conclusion that some form of road pricing is required to solve traffic congestion, but surely the price of parking should also be taken into account. I find it inequitable that my colleagues get a tax-free perk worth in excess of £1,000 in provision of a parking space instead of using meters for their gas-guzzler while I get no rebate on my annual season ticket.

If cabinet ministers had to pay tax on the financial benefits of their ministerial chauffeur-driven car, they might turn their minds to sharing. I found the flourishing market in shared car-rides the most interesting example of free-market economy from which I benefited during a recent visit to Moscow and far preferable to wasting potential working hours waiting for a Routemaster bus which will never go precisely where one wants to go.

Yours faithfully,
TIM OLIVER,
The London Hospital Medical College,
Turner Street, E1.
September 5.

From the Director General of the Freight Transport Association

Sir, The sad omission of any mention of the needs of industry made nonsense of your leader. Failure to invest in our transport infrastructure will mean failure to compete in the wider European market.

Ask our exporting members in Scotland and the North which piece of road hinders their efforts most and they will invariably point to the need to improve the M25.

Yours faithfully,
GARRY TURVEY,
Director General,
Freight Transport Association,
Hermes House, St John's Road,
Tunbridge Wells, Kent.
September 5.

Queen's service and the freedom

and peace we have enjoyed under her. Or, better still, the government could right the wrong of 1957 and obviate the public appeal by bridging the gap: a tenth of what was taken would do it, even in nominal, not real, terms.

Yours faithfully,
TIMOTHY CANTILL,
9 Prior Park Cottages,
Bath, Avon.
September 4.

From Mr Robert Hill

Sir, Would it be impertinent to suggest that our "remarkable and much-loved Queen" might consider contributing the balance of the purchase price required and subsequently bequeath the property to the nation?

Such a gesture would be an appropriate way to commemorate the 40th anniversary of her Majesty's accession, and might forestall for once and for all the debate concerning her status as a supposed non-taxpayer.

Yours faithfully,
ROBERT HILL,
Hillocks, East Common,
Harpenden, Hertfordshire.
September 3.

are French and subject to registra-

tion for military service in France."

Such is the challenge put in front of an English boy, born of an English father, educated in English schools and holding a British passport.

This situation, which seems preposterous for these days, appears all the more so at a time when drastic reductions of soldiers are planned in the French army.

Yours faithfully,
MAURICE FAIVRE D'ARCIER,
46 Avenue de Suffren,
Paris 7e.
September 3.

message that she has gruffly, nervously and breathlessly recorded

simply says: "There's no one in!" And I have to pay to listen to this.

Yours faithfully,
ROGER TAYLOR,
Lisstone Cottage, Charlton Mackrell,
Somerton, Somerset.
September 3.

From Dr Neville Roussak

Sir, As a "white lie", I suggest: "Your answering machine requested that I leave a message but I just didn't like its tone".

Yours faithfully,
NEVILLE ROUSSAK,
Delphi, 48 Spith Road,
Manchester 20.
September 3.

From Mr John Tovey

Sir, I'm surprised people still use answering machines. Faxing is much more fun.

Yours faithfully,
JOHN TOVEY,
18 Highfields Drive, Bilsthorpe,
Newark, Nottinghamshire.
September 3.

Looking to the stars for justification

From the President of the Astrological Association

Sir, Philip Howard (August 30) asserts that confusion is the element in which astrology lives and that journalism ought to avoid it. In fact all too often confusion would appear to be journalism's element when airing its prejudices on astrology.

Popular predictive horoscope columns clearly are bunk, but astrology, as seriously studied by a growing number of academics and professional astrologers, equally clearly is not.

The late great French psychologist and astrologer, Michel Gauquelin's lifetime of research on the subject showed very convincingly that people born when Saturn is prominent are inclined to be saturnine in the traditional sense, just as those born with Mars in such positions tend to be martial, and those with Jupiter jovial. The ancients knew something and we must at least be grateful to Howard for seeking to preserve the language of their original insights.

What is much less excusable is that Howard, your literary editor, should by selective quote suggest that Shakespeare was against astrology. In quoting with approval the villain of *King Lear*, Edmund's mockery of astrology, act I, sc ii, he not only misleads your readers but misses Shakespeare's deeper message.

Meet astrologers would agree with much of Edmund's sentiments but, as Professor E. M. W. Tillyard points out in *The Elizabethan World Picture* (p.55), there is dramatic irony in Edmund's denying the influence of the stars in words of wickedness that substantiate it in a sense quite other than he intended.

If Howard will consider his Shakespeare more closely, he will find the bard's villains scoff at astrology, whilst his nobler and more sympathetic characters repeatedly acknowledge the universal order and harmony in their lives symbolised by the orderly motions of the heavens.

Shakespeare even more certainly expresses his own view in his sonnet XV:

... this huge state presenteth
thought but shows
Whereon the stars in secret
influence comment.

But to our stars we must first understand what they signify. Here, as Gauquelin has shown, the ancients still have much to teach us.

Yours faithfully,
CHARLES HARVEY, President,
The Astrological Association,
396 Caledonian Road, N1.
August 31.

From Mr Keith Anderson

Sir, The most irritating ingredient in the feature by Philip Howard is the implication that foretelling the

Urban housing needs

From Mr Andrew Tait

Sir, Your argument in a recent leading article ("Heseltineville", August 20) that housing demand can be satisfied by putting more houses in existing cities and towns was considered by the New Homes Environmental Group last year.

Evidence had been submitted to us that city dwellers were increasingly opposed to further city development, arguing that those who live in pleasant rural conditions have no right to expect others to have to live at unsuitably high densities.

The group concluded that though some additional building could take place in cities, "it seems most probable that for the rest of this century at least 75,000 to 100,000 units a year will need to be built on new land, i.e. on greenfield sites in the countryside or in villages outside the cities and towns".

Religious belief

From Mr Jonathan Griffiths

Sir, Clifford Longley (August 31) said that to stamp all religions flat in the name of conformist liberal secularism "could be as stupid as wiping out every rare species because their value is not obvious to passing fashion".

Surely a religion survives only as long as there are people willing to stop "cherishing" it as patronising outsiders and believe in it.

Tell a Muslim, perhaps even a Christian, that you appreciate in their religion the "reserves of wisdom" Mr Longley mentions and they will tell you that, if that were really so you would be a convert.

Mr Longley's proposal offers a tempting cop-out to anyone seriously considering the incompatible claims of secularist philosophies and religions.

Yours faithfully,
JONATHAN GRIFFITHS,
54 Eskine Hill,
Hampstead Garden Suburb, NW11.

Stumbling block

From Mr Roger Cooper

Sir, Sir Nicholas Fairbairn (September 3) recalls the stirring words of Thomas Muir "cast in stone" on a Scottish obelisk. But talking of mixed metaphors, tautology and stones let me not be the first to cast one.

Yours faithfully,
ROGER COOPER,
Wardington House,
Nr Banbury, Oxfordshire.

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071 782 5046).

future is a con-trick limited to

astrologers and allied professions. The *Times* devotes a good deal of space to foretelling the weather, the stock market, road conditions. The government devotes a great deal of our tax to reconnaissance so that it can foretell what our enemies may get up to.

Shakespeare was indeed right about astrology: it is a servant, not a master, but that does not make it bunk.

Of the five words Mr Howard put forward to describe "saturnine" none defines the essence of the word in the way that astrologers do. The characteristic most associated with saturnine is self-control, self-discipline, and many people possess that virtue without being dull, grave, gloomy, phlegmatic or glowering. The most amateur astrologer, the most amateur psychologist will know that none of us human beings are purely saturnine, or sanguine for that matter. Both President Nixon and President Reagan have planets in the sign of Capricorn which qualify them for saturnine traits. But according to Mrs Reagan her husband is endowed with considerable optimism.

Contradictions abound in the human race, so much so that some saturnine people project a jovial disposition. So Mr Howard is right in saying the ideal is to be born with a mixture of liquids. What a pity he heaps all his bile on the one subject which might explain to him how his mixture of liquids can be changed in the course of a lifetime. It is a part of astrology called progressions.

Yours sincerely,
KEITH ANDERSON,
(Palmyrist consultant),
21 Carnarvon Road,
Redland, Bristol, Avon.
August 30.

From Dr Nicholas Dewey

Sir, Philip Howard reprimands us for misusing the conventional terminology of "astrological jargon". But he himself blurs two distinct, albeit converging, traditions: the pseudo-science of astrology, and the long-surviving, humorous theories propounded by Aristotle and Galen.

The latter were related to the physiology of emotion and went much further than determining whether a particular humour was good or evil merely. A balanced personality became the Renaissance ideal. Thus, Mark Antony laments the dead Brutus:

... the elements
So mix'd in him, that Nature
might stand up
And say to all the world,
"This was a Man!"

I am, Sir, your obedient servant,
NICHOLAS DEWEY,
27 West Street,
Osney, Oxford.
September 2.

It was some comfort that even with this scale of land use 87.5 per cent of England and Wales would still be countryside by the year 2000: even in the South-east the proportion would be 83 per cent.

The group, set up three years ago, comprised representatives of both environmental and housing interests. Of the 14 members three were builders; the others included leading planners and architects, as well as the chairman or chief executive of leading bodies concerned with the countryside, such as the Countryside Commission, Peak District National Park and the Countryside Landowners Association.

Had we believed that all the houses could be built in urban areas, we should certainly have said so.

Yours sincerely,
A. W. TAIT (Chairman),
New Homes Environmental Group,
82 Cavendish Street, W1.
August 28.

Across the centuries

From Mr Peter G. Rashbrook

Sir, Pursuant to Mr Ryan's treatise (September IV), may we start with MCMXXI right now in preference to his MCMXXXXX? It might be less of a deterrent.

Yours faithfully,
PETER G. RASHBROOK,
9 Gwolyw Gae,
Salem, Llanello, Dyfed.

From Mr John Neill

Sir, The "rough first/line last" principle for expressing dates, referred to by Mr Carpenter (August 31) and by Mr Milton (September 4), was approved by the International Standards Organisation in 1988. The ISO has also approved K (lower case) as the abbreviation for the prefix kilo (a thousand) rather than K (upper case), pace Mr Milton.

Upper case K is reserved for temperatures on the Kelvin scale. Both computing circles (for kilobytes — actually 1024, not 1000, bytes) and compilers of advertisements of appointments vacant use it incorrectly.

Yours faithfully,
JOHN NEILL,
20 Raven Lane, Ludlow, Shropshire.

Post-communist clue

From Ms Ann Liddell

Sir, I am concerned that the crossword clue for Russian used to be construed, with confidence, as Red. What now?

Yours faithfully,
ANN LIDDELL,
Sycamore House, Ellonby,
Pentrich, Cumbria.

Weekend Money letters, page 26

CHANNEL 4

[illegible]

CHANNEL 4

6.00 **Transa World Sport** (t) 7.00 **Eurostar's Castle 7.30** **Alfred J. Trank 8.30** **Sherry and George 8.30 Kelly 8.55 Kiko's "I Play 9.25** **The Band of the Buffans**, Indian drama series. In Hindi with English subtitles.

10.00 **Dispatches: Tapping Into Toxnet**. Despite new legislation which should make information freely available, the British public still has difficulty finding out what has been discharged in the environment. In the United States all such information is kept on a central computer, Toxnet, to which all citizens have access (t)

10.45 **Dennis 11.00 Owl TV** with Michaela Strachan at Emmen Zoo in The Netherlands (t). (Telextext) 11.30 **The Love Boat** (t) 11.45 **The Bottom of the Sea**. Sixties underwater drama series

2.00 **Film: The Razor's Edge** (1947, b/w). Sprawling version of Somerset Maugham's story of a footloose first world war veteran (Tyronne Power) seeking spiritual fulfilment in Chicago. Starring James Cagney, John Payne and Anne Baxter. Directed by Edmund Goulding

4.40 **The Orator**. Observations on hot air, in classic puppet animation by Bratislav Pajer

5.55 **News summary and weather**

6.50 **Fansy 7.15**. Drama series about three Asian families living in Birmingham

8.30 **The World Yachting Grand Prix**. The inaugural race of the 52ft formula one class begins on the Clyde with four-times America's Cup winner Dennis Corner as host favourite

9.30 **The Crosby** (1962). A classic American comedy series

7.00 **Enquire: Re-inventing Japan**.

● **CHOICE: Britain** is famous for its inventions and notorious for letting others exploit them. In Japan it has been the other way round. Bob Bee's crisp and lucid film argues that the success of the Japanese inventor Shigeru Shima, who has based not only his science but in exploiting scientific principles discovered elsewhere. As an index of its lack of originality, Japan has won only five Nobel prizes for science, compared with Britain's 40 and the US 136. But basic science needs individual flair, something not encouraged by a Japanese culture which emphasises conformity and punishes the person who thinks out of the box. The film is used to reinforce this, stifling initiative and creativity. Now the Japanese are beginning to realise that they can no longer rely on other people's bright ideas but must come up with their own. The film reports on the first tentative steps towards a new scientific culture. (Telextext)

10.00 **Classic Cars: Road 'n' Roll** on Wheels. Milton and Stewart Horman from south London cruise the streets of Los Angeles looking for the fins and chrome of classic Flitties American cars. The Horman brothers love these extravagant monsters, but their hobby is also a business

8.30 **American Football**. The featured game is Los Angeles Rams at the New York Giants. Plus news of the Pittsburgh Steelers at the Buffalo Bills.



Blogia call an unorthodox Japanese writer: Ken Ogata (10.15pm)



The Goon old days: Scobie, Miligan and Bertine (5.40pm)

6.40 Highway: A Journey from Dungeness to Rye. Sir Harry Scobie takes a steam train to a reunion with his Goon friends Michael Bertine and Spike Milligan. (Cracle)

7.15 You're Been Framed, With Jeremy Beadle (r)

7.48 Voyage of Terror: The Achille Lauro Affair. The first of a two-part dramatisation of the hijacking of the liner *Achille Lauro* and its 800 passengers. Filmed on the original locations and on board the actual vessel involved. Starring Bob Lancaster, Eve-Marie Saint and Robert Culp. (Cracle)

8.15 News with Flora Armstrong. Weather **8.30 LWT Weather**

8.35 The Stunts and Stars of London's Burning. A look at the making of London's *Burning* showing the special effects and stunt sequences which help to make the action realistic. (Cracle)

10.05 Royal Gala: Symphony for the Spike. A charity concert devised by the Prince of Wales in aid of the Salisbury Cathedral organ appeal, attended by himself and the Princesses. The participants include Plácido Domingo, Phil Collins, Jessye Norman, Cheriton Heston, Otha Harroy, Kenneth Branga, Peter Donohoe, Patrick Doyle, the English Chamber Orchestra under Robert Armstrong and the Philharmonia Chorus. (Cracle)

11.35 International Athletics. Jim Rosenthal introduces highlights from the Cologne grand prix

12.35am The TV Chat Show (r) 1.35 New Music

2.35 Film: The Night Visitor (1970). Max Von Sydow as a man who escapes from an asylum for the criminally insane, having been found guilty of an axe murder. Once free, he attempts to kill those who conspired to convict him. With Uli Lilmann and Trevor Howard. Directed by Lesio Benadec

4.40 Huddersfield Confidential. The author of *Women, Men and Rapes*, Ray Wray, ascertains trainer Ray Barwick and Julie Givens of Portsmouth's Rape Crisis Centre discuss rape

5.05 Soap. Off-best American comedy. (r)

5.35 ITN Morning News. Ends at 6.00



Enigmatic spy for the Turkish empire: Ben Kingsley (10.00pm)

10.00 Film: *Pascal's Island* (1995).
 ● CHOICE: After his enormous success with the screenplay of *Fatal Attraction*, James Dearden went to on to write and direct this tale of mystery and intrigue on a Greek Island before the first world war. While *Fatal Attraction* was melodrama with all the stops out, *Pascal's Island* is a more low-key affair, relying on character and mood rather than the sweep of narrative. In truth, the film is sometimes slow going. But it is sustained by three accomplished performances. Ben Kingsley plays Pascal, whose ostensible role as guide and interpreter covers his real role of spying for the Turkish empire. Charles Dance is an English archaeologist who arrives on the island and uses Pascal's contacts to secure a dig. Ben Kingsley falls for the actress (Folami Fafenigun). All three are enigmatic figures, trying to disguise their real interests and playing themselves off against the other two. (Teletext)

11.55 The Street. American police drama series

12.25am Fontamara. The last episode of this drama set in a poverty-stricken Italian village during Mussolini's early era. Bernardo (Michelle Piccolo) leave Fontamara for Rome, but here too he encounters a burgeoning fascist bureaucracy. In Italian with English subtitles. Ends at 1.20

Hippodrome H
Equestrian 9.00
American College

SKY SPORTS

- Via the Astra and Marcapolo satellites.
- 8.00am Australian Rules Football 8.50
- 9.00am 9.30 US Open Tennis 11.30 WWF
- PrimeTime Wrestling 1.00pm Golf: NWI
- 1.30pm Italian Football: Lazio Football 5.00
- Red Line 8.00 Live British Rugby League
- Wet Line 8.00 Wildlife 8.00 Southall Premier League Soccer 8.00 Live US Open Tennis
- 12.00 Italian League Football

EUROSPORT

- Via the Astra satellite.
- 8.00am Australian Rules Football 8.50
- 9.00am 9.30 US Open Tennis 11.30 WWF
- PrimeTime Wrestling 1.00pm Golf: NWI
- 1.30pm Italian Football: Lazio Football 5.00
- Red Line 8.00 Live British Rugby League
- Wet Line 8.00 Wildlife 8.00 Southall Premier League Soccer 8.00 Live US Open Tennis
- 12.00 Italian League Football

SCREENSPORT

- Via the Astra satellite.
- 7.00am 7.30m Footpistol International 8.00

LIFESTYLE

- Via the Astra satellite.
- 12.00am Arnie College 12.30pm The Emmerdale Brothers 1.00m Three for the Road 1.55
- Turkey Live 2.40m Spain Soap International
- Cosmo 3.05m Rock Drizzy 4.00m Afternoon Cinema: Dick Tracy v Celine 6.00m The Self-Inflicted Wounding Programme 8.00
- 8.00 10.00m Salsito Junior

MTV

- Via the Astra satellite.
- Twenty-four hours of rock and pop

Susan is like

**Susan is like
any 10 year old
but she lives under
the shadow of diabetes**

[illegible][illegible]

By ROBERT MORGAN
PARLIAMENTARY STAFF

Ashdown's aim, page 2

Over and out: a pilot ejecting safely from his jet in a Mk10L lightweight seat, which has been developed from the Mk10 models now in service throughout the world



By HARVEY ELLIOTT, AIR CORRESPONDENT

Last night, nearly 100 people who have used the seats met at Claridges, central London, for a reception to celebrate the invention that has become a standard component in almost every modern military jet.

to show a huge hole on the edge of the man-shaped target 30ft. away. I am getting a taste for the brute power, muttering "Make My Day", when a voice came through the ear protectors. "Excuse me sir, but is that a .44 Magnum?" "Something in the gun makes me want to snarl: "Who wants to know?", but I resist and say yes to the Japanese man.

Driving up Santa Monica boulevard from the gun club, the point is hammered home by a big billboard put up by an anti-gun group. Handguns kill about eight Britons and two Canadians in one year, it says. In America, a country which enforces the lowest speed limits in the world, the figure is well over 8,000.

SATURDAY SEPTEMBER 7 1991

WEEKEND
MONEY

R-R success

Rolls-Royce has suffered disappointments this year, but the great name of British aero-engineering fought back yesterday with a launch order for the new Boeing 777 aircraft. The contract secures the British manufacturer's place in a market that is expected to be worth \$50 billion over the next 20 years. It also dispels fears that were aroused two weeks ago, when British Airways ordered American engines. Page 21



Lord Weinstock, who rationalised the electrical industry in the Sixties and was the force behind Harold Wilson's white heat of technological revolution, will go on well into the Nineties, say his fellow directors. Page 20

Tougher vetting

As customers continue to transfer accounts to rival banks or building societies, the lenders are tightening up their vetting of prospective new customers. Page 23

Move on trusts

M&G and Fidelity are moving into investment trusts. They are seeking to tap a market that has started to repack itself for the modern investor. Page 25

Premium threat

Homebuyers are facing premium rises of up to 25 per cent on redundancy insurance and a simultaneous reduction in cover. Page 27

Letters

Page 26



Women should help their husbands by doing the accounts in between housework. So argues Veronica Craven, who says men who work long hours should be entitled to come home to rest, not more paperwork. Page 21

Change of scene

The chief executive of the Hong Kong Stock Exchange is to join Hang Chong, a Hong Kong company controlled by the Chinese state investment body. Page 21

Storm havoc

Storms, catastrophes and mortgage losses are wreaking havoc with insurers' finances. Cost-cutting at headquarters offices is now the general policy. Page 21

Video check

Some insurers are resorting to devious ways of checking on claims. One firm has started to video suspect claimants at work. Page 23



Denise Kingsmill, George Walker's solicitor, is to launch a £20 million writ against Breat Walker, which faces liquidation soon if it cannot push through a £1.4 billion refinancing package. Page 21

Canadian test

More Lloyd's names have launched legal action against the insurance market for alleged misrepresentation. This time, Canadian law will be tested. Page 20

No clues in jobs

For every one economist, two views emerge. But is the mighty American economy emerging from recession or not? Employment figures gave no clues. Page 20

New battle

Those tour operators who survived the Gulf war and the British recession are now preparing for next year's battle. Page 21

Short-term tie

This year's falling building society interest rates have provided financial advisers with a lucrative opportunity. They are selling growing volumes of with-profits insurance bonds as safe investments with easy access to capital. But they are being sold as short-term investments and policyholders could lose out if they surrender early. Page 24

WEEK ENDING

Matthew Bond

From bench to board

David Owen, erstwhile leader of the Social Democratic Party, is looking for a new job. Party politics, he has decided, are passé. Should the good doctor have been flitting with the idea of a career in the vulgar world of commerce, he would have been greatly encouraged by the events of the week, which saw a number of people moving to positions where no previous experience appeared to be necessary. Quite what former cabinet ministers bring to company boardrooms has long been a contentious point, but not one that Lord Young, the former trade secretary, has ever been prepared to waste time debating. These days his main preoccupation is Cable and Wireless, where he was appointed executive chairman 15 months ago. With unwitting foresight, Gordon Owen, then C&W's deputy chief executive, generously said that lack of experience in telecommunications was no obstacle to Lord Young's appointment. He was right. For what Lord Young might have lacked on the technical side, he more than made up for



in politics. A year or so on, Mr Owen has taken early retirement and left the way clear for Lord Young to embark on his first management reshuffle. Experience in telecommunications now appears to be a positive hindrance to executive success at C&W. For, as part of the reshuffle, in comes Michael Harris, whose main qualification for his new job as chief executive of Mercury Communications (C&W's answer to BT) is the reported success of First Direct, the telephone bank, of which he is currently chief executive. Clearly, Lord Young was one of the few people in Britain who understood what First Direct's mystifying advertisements were about.

In between reshaping C&W, Lord Young found time for his enlarged supervisory role at Salomon Brothers, the American investment bank still rocked by scandal and this week sacked as US adviser to the BT sale. On Tuesday, he confidently announced that Salomon had "no more skeletons in the cupboard". A swift change later, he revealed that the new C&W would be a "market-driven organisation". Presumably it is only days before C&W announces it is launching a US Treasury bond division. They could always book the deals through to Mercury.

While Mr Harris's job will be to tempt new customers from BT, the challenge facing George Greener, the new chief executive of Allied Dunbar, is to stop his staff leaving to join the new rival insurance outfit, J Rothschild Assurance. Having spent the previous five years as managing director of Mars's confectionery division, Mr Greener's principal attraction for Allied Dunbar is understood to be a skill in dealing with that age-old method of delaying departure, used chewing gum on seats. Also on the move was Sir Alistair Frame who, despite taking on the onerous challenge of heading British Steel, plans to continue in the chair of Wellcome, the drugs company. Wellcome's research team, developer of anti-Aids and anti-herpes drugs, is understood to be working on an effective anti-state aid drug to assist Sir Alistair. No wonder Lord Weinstock decided to stay put.

BUSINESS PROFILE: Iain Vallance

Perfect pitch in line of duty

BT awarded its chairman a controversial 43% pay rise.

Gillian Bowditch meets the man at the receiving end

Iain Vallance, the chairman of British Telecom, Britain's fourth-largest company, is not motivated by money, or so he says. This may surprise those who remember the furor created three months ago, when it was revealed that his pay had risen 43 per cent to £536,303. His lack of interest in the folding green stuff appears to be borne out by his lifestyle. He lives in a detached Edwardian house in Dulwich, south London, where he has been for eleven years. There is no country house or second home, no yacht and no expensive hobbies. His three pianos, including a baby grand, are the only hint of extravagance. Nor is he amassing a pile to pass onto his two children, Rachel, aged 18, and Edmund, 16. So why accept a pay award that was variously described by MPs as "greedy", "a terrible example to his workforce", "a rip-off" and a "flagrant abuse of monopoly power"? Did he not realise the upset it would cause? Does he believe he deserves a telephone number salary?

"I wasn't totally surprised by the reaction to my pay," he says. "My increase in actual salary was relatively modest. What we're talking about was a large bonus for last year. That seemed to me to be something which was warranted because it was a very good year. It was part of my terms of employment. Ducking things because you are going to get knocked publicly does not seem to be the sensible thing to do." His colleagues defend as well-deserved the bonus payment of £150,000, which Mr Vallance gave to charity, a decision which was taken prior to the criticism. "What else do you do with a large sum of money if you don't want to spend it on yourself and you don't feel that you ought to have kids who inherit?" he asks. Mr Vallance describes the political reaction to the bonus payment as "a bit silly", believing the government should have congratulated him for a job well done. It was not the first time that he had hit the headlines. His appointment as chief executive of BT in September 1987 was met by a barrage of criticism. He was seen as an insider, a civil servant who was part of the vast bureaucracy of BT, and an articulator of the consensus. There were doubts over his entrepreneurial skills. Some said he lacked charisma. Mr Vallance has faced the criticism with dignity. If he has not silenced critics with the improvement in BT's service and the radical pruning of the workforce, the fuss has died down a little. Sir William Barlow, the former chairman of the Post Office who oversaw the separation of the telecommunications

business from the postal service, says: "Whatever the criticism, he has always kept his head. He hasn't lashed out. The Thatcher government was less than kind to him. He has enormous dignity and gravitas. He's always moderate about things, and success hasn't spoiled him. He must be hugely ambitious but it never shows. He's not pushy. BT is better now than it has ever been." Mr Vallance's wife, Elizabeth, visiting professor of politics and until recently head of department at Queen Mary and Westfield, part of the University of London, says of her husband: "He is a totally unperturbed person. He's very down to earth. I'm the one who has to be scraped off the ceiling. He's a dauntingly decent human being who would never knowingly let anyone down." But while he inspires great loyalty among his colleagues and is described as a good delegator, his natural Scottish reserve and the guard he maintains in public

He has a talent well beyond his environmental upbringing. He is very good at taking the big decisions, the brave decisions

means that most people find it difficult to get close to him. He has a natural authority, but his leadership comes from professional competence rather than personal charisma. He often appears detached and analytical and he gives some ammunition for those who would paint him as a slightly stiff civil servant lacking in humour. It is only with very close friends and family that his true personality comes out. "I draw a distinction between public life and private life," he says. "I've kept my family out of my work life as far as I could. My wife and kids would say I was anything but a dour character. In this sort of job you've got to be determined and frank and that means being ruthless if necessary. Privately, I'm a very open sort of person, very easy going, quite a warm personality."

His wife attests to this. "He's not at all pompous and lacks the desire to impress. He and the kids tease each other. One newspaper article described him as having occasional flashes of personal warmth, which had them in

stitches. For weeks afterwards they would pass him on the stair and say 'give us an occasional flash then'."

Mr Vallance, who is not yet 50, has risen rapidly to one of the top jobs in British industry, a feat more remarkable given that his career has been spent entirely with the Post Office. Michael Bett, BT's vice-chairman says: "He has a talent well beyond his environmental upbringing. He is very good at taking the big decisions, the brave decisions." Mr Vallance was born in Perthshire in 1943, an only child. Both his parents, who are still alive, had worked for the Post Office, his father rising to the position of director for Scotland. He says his determination and low centre of gravity come from his mother, his calmness from his father, who was away at war and did not meet his son until the young Iain was three. "My first words to my father were 'Where's ma fuba?'" says Mr Vallance. His English has become more refined since then.

His education was disrupted by his parents' decision to move to London when he was ten and then back to Scotland four years later. A spell at the Edinburgh Academy was followed by Dulwich College and then Glasgow Academy. Oxford came next and, in between playing rugby and bridge, he read English literature. Elizabeth, whom he has known since they were teenagers, was studying in Dundee. The Post Office kept their romance alive, says Mr Vallance. The couple married soon after graduating.

It is a surprise to hear him say that his first choice of career was television journalism in America. He is softly spoken and his appearance understated. The realisation that he could be called up for service in the Vietnam war kept him on British soil. "I'd done the civil service exams beforehand as a safety net. I never thought I was going to be there for long. But they kept giving me jobs that were fun," he says.

In 1970, he took two years out to do an MBA before moving back into the finance department at the Post Office. He has considered leaving several times, once getting as far as the shortlist for the post of chief executive of the Shetland Islands council. It was not until he was appointed to the board of the newly demerged British Telecom in 1981 that he realised he might go to the top. He says he loves the job of chairman, although he would prefer open competition to regulation by OfTel.

"If you are the dominant player in the market you always get the thick end of the regulation, that's inevitable," he says. "As the 1990s progress, market share in



Shoulder to lean and laugh on: Iain Vallance, with wife Elizabeth, who says he is dauntingly decent

the UK will be less important than market share in Europe. It's conceivable that it could go below 50 per cent in the UK."

He describes BT as having been through the painful adolescence of change. "Customer service is the best we've ever had it. One example is the pay phones. More than nine out of ten are working all the time. But there is still a distinct customer concern about value for money. The value for money thing is very difficult to resolve while you have a de facto monopoly."

His main method of relaxation is to play the piano, which he does nearly every evening when he gets home. He also likes to escape to Scotland as often as he can for hill walking.

Of his future, Mr Vallance says: "I have no plans to leave BT, on the other hand it is a long time until I'm 60, let alone 65. But this is the job. There's nothing better than this one."

His wife believes he may return to Scotland eventually. "When we first came to live in London I discovered he was buying a weekly train ticket rather than a season ticket, which would have saved quite a lot of money, and when I asked him why, he said 'I always think I might be going home at the end of the week.'"

TUC brothers no longer on breadline

By ROSS TIEMAN
INDUSTRIAL CORRESPONDENT

GLASGOW taxi drivers will today be counting their takings after the best week many have enjoyed all summer. The Trades Union Congress provided a welcome upturn in the worst slump suffered by the City's taxi trade in 20 years.

The spectacle of free-spending trades unionists is a novelty on the Glasgow scene. It is 72 years since Congress last assembled in the City, and in the interim trade unionists have grown fat, and slim again, to fit the designer suits that are the hallmark of today's shopfloor spokesman. Although Derek Hutton's red-tinted star

has declined, his sartorial revolution continues.

Gavin Laird, the perpetually stannated general secretary of the mighty Amalgamated Engineering Union (AEU), and his president, Bill Jordan, took time during the week to visit a Glasgow store celebrated for selling quality suits at thrifty prices. The Scottish yuppie was never so loud as his southern rival: nor has he faded so quickly from view. Only the accents of trades unionists spilling out of the £110-a-night Holiday Inn distinguished them from local middle-class revelers.

At a reception hosted by civil service unions, staff had to carry in extra cases of boutique lagers, such



as Elephant and Becks, to keep pace with demand. Empty Barban bottles testified to the determination of others to stay fresh for the next day's proceedings. September 4, 1991, may well

have a special place in TUC history. For that was the day when the GMB general union broke with tradition by charging for drinks at its traditional Congress reception. The union raised £556 that was duly presented - along with £444 from union funds - to Glasgow's Royal Hospital for sick children.

Margaret Thatcher need never fear a return to the days of beer and sandwiches at 10 Downing Street. Today's trade union leaders have more educated palates.

The AEU proved the point. Lord Nixon, a former Confederation of British Industry chairman, and 180 other guests dined on lobster thermidor and medallions of Angus beef washed down with Mouton Cadet Blanc.

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Smurfit sec
new Brent

September 6, 1991 Total: 22260 Calls 16775 Puts 5485 FT-SE: Calls 5299 Puts 2581
 *Underlying security price,

Rolls-Royce wins £250m contract for Boeing 777s

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

ROLLS-ROYCE has won a critical order to supply twin-jet engines for the new Boeing 777 aircraft with a £250 million contract from Thai Airways International.

The contract secures the British manufacturer's place in a market that is expected to be worth \$50 billion over the next 20 years.

It dispels fears aroused two weeks ago, when British Airways broke with tradition and ordered engines for its 777s from General Electric of America. The decision left Rolls as the only leading aeroengine manufacturer

without a launch order for the new twin-jet. Rolls-Royce shares, which slid 11p after the BA decision, gained 6p to 144p before closing at 143p.

Rolls had acknowledged "great disappointment" at the loss of the BA order, but Sir Ralph Robbins, the company's chief executive, said yesterday he was "delighted" to be selling the updated Trent 800 engine to Thai. The success was all the more significant because Thai is a new customer for Rolls-Royce. The airline has traditionally relied on engines from Rolls' arch rival, GE.

Pratt & Whitney, the world's biggest aeroengine maker, has already contracted to provide engines for the 777 to United Airlines of America.

Chris Avery, an analyst at the broker Smith New Court, said the Thai order showed that City fears about the future of Rolls-Royce were ill-founded. "The loss of the BA order proved to be only a lost battle," he said. "The war is still going on."

The new generation of big, long-distance twin-jets being developed by Boeing, Airbus Industrie and McDonnell-Douglas requires immensely powerful but lightweight engines. Rolls is reckoned to have spent up to £300 million upgrading its Trent engine, based on the RB211. The smaller Trent 700 has been chosen for 40 per cent of the Airbus A330 twin-jets ordered.

The dogfight to provide engines for the 777, the only new plane Boeing will launch for the next decade, will be critical for the three main engine makers.

That has placed firm orders for six planes, and taken options on six more. Deliveries begin in January 1996. To secure the necessary launch contract, however, Rolls has almost certainly been forced to accept thin profit margins. Industry sources say the airline will pay little more than £6 million for each engine, although spares over the lifetime of the engines will add £100 million to the total contract value.

That is said to have chosen the Rolls engine for its performance and because it was a less risky option than buying the GE90 engine from General Electric, which is at a much earlier stage of development.

Rolls is now campaigning hard to secure further orders for the Trent 800. Cathay Pacific, a long-standing Rolls customer, is expected to order A330s or Boeing 777s — and engines to power them — within a month.

All Nippon Airways, which operates Rolls engines on its Tristar fleet, has ordered 15 777s and is now carrying out a final evaluation of the competing engines.

The most exciting contest for Rolls, however, is likely to be the battle to sell engines to American Airlines, which is expected to buy up to 50 777s.

American has expressed great satisfaction with the RB211 engines it bought for its Boeing 757s, and it has since ordered Rolls power plants for its Fokker 100 aircraft. Rolls is confident it can develop its foothold in America, by far the world's biggest aircraft market.



Dedicated follower of fashion: Peter Ridsdale (above) is leaving the Burton Group to join Alexon as managing director of Alexon Brands. His move will allow Lawrence Snyder, Alexon's chairman, and Ruth Henderson, chief executive, more time for the company's development.

Smurfit seeking new Brent terms

By MATTHEW BOND AND ANGELA MACKAY

HOLDERS of Brent Walker's £102 million convertible bond issue will meet in London on Monday to consider revised proposals put to them by the leisure group's new board.

At the meeting, representatives of Michael Smurfit, the Irish businessman who personally and corporately holds 25 per cent of the bonds, will launch a campaign to secure better terms. Yesterday, Mr Smurfit informed his fellow bondholders, including George Walker, the company's deposed chairman and chief executive, of the minimum conditions required to secure his approval.

In May, it was pressure from Mr Smurfit that won improved terms for the bondholders, although these were later overturned by Brent Walker's 47 tanks.

Bondholders' approval must be obtained before the refinancing of Brent Walker's £1.4 billion debt can be concluded. If they fail to approve the proposals, the company will go into liquidation. The revised proposals envisage that the bonds will be converted into a new class of preference shares, ranked below the bank's debt, and some ordinary equity.

Mr Walker's solicitor, Denise Kingsmill, a partner at DJ Freeman, confirmed that writs, issued in the High Court, will be served on Monday, claiming £20 million from Brent Walker for the wrongful dismissal of Mr Walker, his wife Joan and son Jason.

Ms Kingsmill said further writs will be issued to recover additional monies — in excess of £5 million — that the Walker family and their trusts claim they are owed by the company.

Earlier this week, Mr Walker admitted he was facing personal bankruptcy if Brent Walker were to collapse, and that he had already been forced to postpone a new business venture because of the Serious Fraud Office investigation into the past affairs of Brent Walker.

A spokesman for Brent Walker dismissed the writs as a "complete irrelevance". He said: "If he does issue a writ, we will defend it vigorously."

Brent Walker played down reports that it was going to sell Cameron's brewery in Harlepool to Vaux, the Sunderland-based brewer. Frank Nicholson, managing director of Vaux, said his company first approached Brent Walker about purchasing Cameron's three months ago, but that Brent had not provided Vaux with sufficient information on which to base a formal proposal.

Brent Walker said it had made progress in negotiations for a management buyout, which would involve the sale of about 100 pubs. Allied-Lyons is believed to be the only other contender for Cameron's.



Kingsmill: more writs

Royal Life cuts 600 jobs

By GRAHAM SEARJEANT, FINANCIAL EDITOR

ROYAL Insurance is to cut 600 jobs at its life insurance subsidiary, a 10 per cent reduction that will reduce costs and strip out layers of management.

The restructuring of Royal Life follows similar cost-cutting exercises at the loss-making insurance group's British and American general insurance businesses and estate agency chain.

The reorganisation will get rid of five divisions, mainly linked to distribution chains, which all had their own marketing, finance, personnel and computer services. Royal hopes to lose most of the jobs through natural wastage and

voluntary redundancy over the next nine months.

Many will go at Royal Life's head office in Liverpool, where about 2,000 of its 5,000 staff work, but there will also be cuts at branch offices and among the sales force.

The life subsidiary, which is one of the biggest owned by a composite insurer and ranks as about the twelfth-biggest life company in the country with more than 1.5 million policies in force, will be reorganised to have a single set of administrative services. The streamlined business will concentrate on mortgage repayment policies, protection against income loss, pensions,

and unit trust and bond investments. Some peripheral lines will be dropped.

Royal Life contributed £24 million to profits in the first half of this year, when the group as a whole made a pre-tax loss of £97 million. But life profits were £6 million lower than in the first half of 1990, as overheads had to be spread over a much slower growth in business.

Like other life assurance groups, Royal is planning for slower growth in house purchase endowment policies and pensions for the self-employed, which grew rapidly throughout most of the Eighties.

Chief of HK stock market resigns

From LULU YU IN HONG KONG

FRANCIS Yuen, chief executive of the Hong Kong Stock Exchange, has resigned after a stormy three-year term to join Hang Chong Investment Co, a private firm newly acquired by a Peking-backed consortium.

The former merchant banker, aged 39, will become chief executive of the trading and property firm when his contract with the exchange ends on October 18. Hang Chong was bought by a Hong Kong unit of Peking-based China International Trust and Investment Corp (Citic), and a group of local investors, including some of the colony's wealthiest business people.

Mr Yuen was the first chief executive appointed to the exchange after the arrest of Ronald Li, the former chairman, in January 1988. His team set itself the task of cleaning up irregularities exposed during the 1987 stock market crash.

Many reforms have been put through, including greater disclosure obligations for public companies, tougher insider dealing rules and more efficient settlement procedures.

But conflicts with Hong Kong's Securities and Futures Commission have been frequent, and recently led to the resignation of Philip Wong, the exchange's vice-chairman.

Mr Yuen's departure will leave the exchange without a leader in its struggle against management reforms the commission is demanding, which last month failed to win 75 per cent of exchange members' votes.

The changes, aimed at giving the exchange non-profit status and increasing membership of international brokers, are now being imposed by the commission.

Mr Yuen, often forced to act as mediator, was frustrated by the disharmony within the broking community, and with what he saw as the commission's high-handed manner. "I consider that it is time for me to pursue a new career," he said, admitting he had not achieved all the things he set out to do.

Tour firms fight for market share

By HARVEY ELLIOTT AIR CORRESPONDENT

THE traditional midsummer dance has begun among Britain's tour operators as they circle each other in the hope of taking the lion's share of next year's market for 8 million foreign holidays.

The prize for the winner will be not just a full order book but healthy and perhaps even record profits, as there are fewer competitors left in the circle and hoteliers around the Mediterranean and in America have been ready to do business at almost any price.

This has led to brochure prices rising by well under the rate of inflation, yet promising good returns to the tour operators who have closed the kind of deals they could only dream of before the Gulf war temporarily shattered both consumer confidence and the holiday hotel price structure.

Dermot Blastland, the managing director of Owners

Abroad, Britain's second-biggest tour operator, which this week launched its 1992 brochures, said: "We have been able to get some excellent deals on properties in Greece, Turkey and Cyprus where they are actually in deflation at the moment. The Gulf war virtually stopped their tourism industry but now it is coming back strongly. They weren't to know that, though, when we signed the contracts with them in May. We are now looking to higher prices and higher margins."

It may sound a harsh philosophy and will certainly not endear British tour operators to the hard-pressed tourist industries of those countries who rely on millions of British visitors for their incomes. But for families already thinking of next year's holiday and prepared to commit themselves now, it is good news.

The question is how long the low prices will last. If

falling interest rates, international peace and a general feeling of well-being takes hold, then the number of holidays on offer will be insufficient to cope with demand, leading to price rises.

Thomson Holidays, the first to launch its brochures last week, has sold more than 100,000 holidays already, 15 per cent more than in the same period last year, and the company says some prices will rise in October.

Thomson has also been able to negotiate very low room rates in many parts of the world. Hotels in Florida, which used to turn away British tour operators because they could rely on their own citizens to fill their rooms, have now made them available to all comers at very low prices.

Now that the big two tour companies have put out their brochures, and held prices at little more than they were last

year, the others are lining up to publish their brochures. Some may break ranks and actually lower their prices starting a feared price war which only the biggest can win. It is not, however, likely.

Keith Betton of Abta said: "I am convinced there will not be a price war and that holiday prices will in fact rise later this year."

"This is because Thomson and the International Leisure Group used to vie with each other to be the leading company and were prepared both to cut prices and profits to do so. Now Thomson are on their own and do not want to do so."

After 1992 things may change dramatically, mainly because the hoteliers will not be so desperate as they were this year, and will want to secure their own share of what looks like being an extremely profitable season for the travel industry.

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MEANWHILE THE INVESTMENT IS TO START EARNING INTEREST FROM THE DAY FOLLOWING RECEIPT. MC73 36

Malingers face the camera test

By LIZ DOLAN

PEOPLE who claim they are too sick to work, or who maintain they have lost their jobs, may be the unwitting subject of a video film made secretly on behalf of the insurance company that is currently meeting their monthly mortgage bill.

If they have been lying about their state of health, or their employment, they could be in deep trouble. This week, a self-employed plasterer was caught on video running a sandwich stall when he had told his insurance company that he was unable to find employment. Recently, a female market trader was covertly filmed by a private investigator selling wares from her barrow when she should, according to a doctor's certificate sent in to her insurer, have been tucked up in bed, too ill to work.

Both are examples of successful undercover work carried out by, and on behalf of, Financial Insurance (FI), which is by far the largest operator in this specialist field with about 25 per cent of the market. FI is not alone in employing these methods.

David McGregor, the company's op-

erations director, said that fraudulent and opportunistic claims were rising fast in the current economic climate. FI is one of the few insurance companies that requests an employer's certificate as well as one from the doctor.

The self-employed are, therefore, the hardest to check out. FI may have suspects followed by video cameras, or make surprise visits or telephone calls. "It is amazing how often a random phone call from this office gets the response 'sorry, he's at work,'" Mr McGregor said.

FI takes particular care to check claims that are made a few months after a policy is taken out. Mr McGregor said: "In this economic climate, more and more people appear to be looking to us to buy a new car for them, or to take over their mortgage repayments for a year. The self-employed, especially, may remortgage their homes, take out a policy with us and their business fails a few months later. It's often very difficult to tell which claims are genuine in those sort of circumstances."

Others may not have intended to defraud the insurers when they take out

the policy, but are tempted to claim when debts are mounting up and they try, for instance, to keep a new job secret so that the insurer will continue to repay loans for a few more months.

FI also uses a lot of "computer gizmology" to check on patterns of employment, which tells claims inspectors what chance individuals will have to find another job, given the area in which they live and what type of work they do. Claimants who are tempted to persuade their doctors to sanction an extra month or two away from work when they are really fit enough to return are also likely to be caught.

FI has systems that compute exactly how long a fractured wrist, or burst ulcer, are likely to take to heal. Any claims for a longer period will alert inspectors to the fact that they may have a malingerer on their hands.

Mr McGregor stressed that the company willingly pays the vast majority of claims. "Our first duty is to pay all genuine claims, but we need to weed out as many fraudulent and opportunistic claims as possible to keep the premiums down for everyone else."

By PHILIP PANGALOS

Ulster seeks Kuwait trade

FOURTEEN Northern Ireland companies are represented in a trade mission, organised by Ulster's Industrial Development Board, that left yesterday for Kuwait and Dubai on the first UK trade mission to Kuwait since its liberation. Among them are Harland & Wolff, the ship-builder, and FG Wilson (Engineering), maker of diesel generator sets.

Peter Elliott, the mission manager, said Kuwait plans to refurbish rather than rebuild, and this would have a bearing on opportunities for overseas companies.

FOURTEEN Northern In

Dour Wall St stops London record-chasers in their tracks



RECENT	
SOURCES	
Aberforth Spitz (100p)	104
Aberforth Leds	36
Alliance Res	30
Capital Ventures	110
Claremont Gems (178p)	189-1-1
Claremont Diamonds (100p)	158
Crook Smelt Inc	108
Cruze Hedges (40p)	8 1/2
Dayton Blue Chip (100p)	98 1/2-1-1
EPRI Inc Tst (25p)	66-1-1
East Germany Inv (100p)	120-1-1
Endersbank	241-1-1
Eurocamp (228p)	241-1-1
Fleming Energy Mkt	36
Garmore Inc (100p)	108
Garmore Cap (100p)	87-1-1
Geared Inc (100p)	122
Geoscon	129
Headline Book (100p)	129
Necktown High Inc	108
Lovins Lambert (250p)	320-1-1
Manchise Inv (250p)	288

Queens Meat Houses, the fast-93p, has been a firm market side interim figures last month showed pre-tax profits to £36.2 million. Food managers are paying a two-tions. The Continent accounts

Kleinwort has been looking at recent performances from companies closely related to the DIY industry including Williams Holdings, off 2p at 356p. Gyrweld International,

There was further increase activity in the stub of Rascal Electronics with 15 million shares traded as the price firmed 3p to 42p. The ordinary shares ended the session 4p better at 237p, while Rascal Telecom hardened 1p to 342p.

Royal Insurance firmed 1p to 400p despite announcing plans to cut 600 from the 6,000-strong workforce at its Royal Life subsidiary. Royal recently announced first-half losses totalling £97 million.

The day's trading was

The rest of the topnotches closed mixed with Commercial Union 2p lighter at 518p and Guardian Royal 4p. Accor- change 1p cheaper at 196p, while the other two accidents confirmed 4p to 582p and San Alliance 2p to 379p.

Macarty, the pharmaceutical distributor, fell 4p to 289p after Peter Lilley, trade secretary, decided to refer the £74 million bid from UniChem, 8p at 179p, to the Monopolies and Mergers Commission. UniChem said its bid had already been allowed to lapse, but there are still two separate offers on the table from Grassington Holdings, unchanged at 188p, and Lloyds Chemists, 3p lower at 280p.

MICHAEL CLARK

New York — Shares steadied

invested lower levels in mid-morning activity after a quick reversal of a mild advance. Bond market gains failed to provide support.

Investors mulled over the August American employment report that showed a larger than expected rise in non-farm payrolls.

"I think this morning's figures reduce the chances of the Fed easing rates," said Ralph Bloch, chief technical analyst at Raymond James and Associates. The Dow Jones index was off nearly ten points at about 2,998 at mid-morning.

- **Tokyo**—The market closed higher in heavy trade but gave up afternoon highs after the release of the Bank of Japan quarterly economic survey. Nikkei index fell 1.26 points to 19,262.60, with trade estimated at 650 million shares.
- **Hong Kong**—The Hang Seng index fell 19.26 to 3,970.91.
- **Sydney**—The all-orindians index rose 0.3 to 1,572.
- **Frankfurt**—The Dax index fell 0.99 to 1,646.18.
- **Singapore** and **The Straits Times** index fell 1.07 to 1,420.42.

(Reuters)

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UNIT LINKED INSURANCE INVESTMENTS

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The prices in this section refer to

السنة الأولى

- BOND PROMISE 24
- INVESTMENT TRUSTS 25
- LETTERS 26

WEEKEND MONEY

THE TIMES SATURDAY SEPTEMBER 7 1991

Edited by Sara McConnell

Salesmen must provide the full facts

Economies of truth come easily to insurance companies and their salesmen, particularly when large amounts of commission and inflows of investors' cash are at stake. People looking for safe investments with more growth than they can get from a building society account, but with easy access to their money, are being tempted into with-profits insurance bonds.

What they are not told is that these bonds are not short-term investments. They are equity based and should be held for at least five or ten years. Unlike a building society account, investors using the bonds as a home for their money in the short term will get back less than they put in if they want to withdraw any more than a tiny proportion of their cash in the early years (normally first three of the policy).

They also have to beware of trying to surrender when there is a slump in the stock market. Investors may have chosen a

with-profits fund because they associate it with safety, but the fund is unfitted and linked to the performance of the stock market in the same way as any other unit-linked fund. Surrendering in a market slump will produce less than expected if the value of the underlying assets in the fund falls on that particular day. Unlike a building society fund, there is no guarantee that investors will get their capital back if they surrender early.

Another interest cut, with its inevitable effect on savers' rates, plays into the hands of salesmen, who can easily blind investors with tables and charts showing how equities have outperformed building society deposits. In the long term they have. But these are insurance policies. Surrender values are pathetically small and much of the investment in the early years is eroded by charges



COMMENT

SARA MCCONNELL

for administration and commission. Insurance salesmen earn more on bonds than they do on many other sorts of policy.

Insurance companies say they are concerned that their salesmen are misleading members of the public. If they are that concerned they should keep a much sharper eye on what their representatives are selling and how the policy is explained. Penalties for early surrender should be made particularly clear.

All salesmen, even those marketing the policies of a single company have to justify their

advice and fill in a factfind. This factfind should be able to elicit the information from an investor that they want easy access to their money without undue stock market risk. A single premium whole-of-life investment bond (for this is what they are) is not the obvious choice for such people, as insurance companies should realise.

Insurance companies may place the blame on their salesmen, but this does not stop them from supplying their messengers with glossy brochures, promising large

payouts, for these bonds. Cash projections after five years assume that bonus rates at the beginning of policies can be sustained. This is dishonest. Bonuses can go down as well as up, as experience at the beginning of this year shows. The regulators should extend their ban on projections on this basis to all policies.

Hard lesson

Lenders appear to have learnt a hard lesson. This week's cuts in mortgage rates will be handed on to existing borrowers less than a month after new borrowers.

This is a welcome change from lenders' previous obsession with tempting new borrowers and first-time buyers through the door and getting their business,

while making their existing customers wait several months before their payments fall.

Wooing new borrowers with lower rates and discounts is a cheap way of generating business but, come the next rate cut, the new borrowers will be existing customers. Making them wait months for a drop in mortgage payments is not the way to encourage loyalty.

Some borrowers have been tempted to remortgage with another bank or building society to get a better deal. Fortunately, lenders seem to have realised that most borrowers are inclined to be loyal and stick to one mortgage provider unless something goes terribly wrong. They are also more likely to hold savings accounts where they have their mortgage, thus bringing in more cash for the lender.

There is no administrative reason why lenders cannot amend mortgages quickly. Existing borrowers have the right to expect that they will continue to benefit rapidly from cuts.

Customers face tough vetting at banks

By Sara McConnell

NEARLY half a million people moved their current accounts to a rival bank or building society between last October and March this year. Almost the same number moved the year before.

The latest financial research survey from NOP, the market research group, shows that a further 1.1 million switched accounts within the same institution in the six months to March 1991.

But banks and building societies are tightening up their vetting procedures for prospective new customers wanting to transfer their allegiance completely.

Since building societies, led by the Nationwide and the Abbey National before its flotation, introduced interest-bearing current accounts in the late Eighties, banks have been keen to compete and offer better terms. However, those who now want to move because they will get a better rate of interest, a £100 cheque guarantee card or better overdraft terms may find they either do not get a complete range of services or are even rejected altogether.

The same could happen to customers who want to change because they have had administrative or charging problems with their existing bank.

Pauline Hedges, of the British Bankers Association (BBA), said: "Banks are clamping down and seeking more identification. At one time, prospective customers had to give two references, then banks stopped doing this about seven years ago. Now they will require things like a passport or driving licence and will get references from an employer or someone else who knows the customer."

These moves are partly in response to guidelines on preventing money laundering issued by the BBA and its counterpart, the Building Societies Association.

The guidelines urge banks to carry out personal interviews with customers and check names, addresses and postal codes. Banks following the code will ask for a passport or driving licence rather than a document that can be more easily forged, such as a birth

certificate or a national health service card.

Banks and building societies are also trying to respond to criticism that they let people have cheque cards and debit cards too easily. Credit scoring is now almost universal. Customers will not necessarily find this delays their application, because any checks to credit reference agencies can now be done by computer during an initial interview.

David Brooks, senior product manager, money transmission, at the TSB, said: "Someone with a cheque book containing 30 cheques and a cheque card for £50 could get at £1,500 fairly easily. We are doing more research into a person's financial background and are looking at credit scoring everyone on a trial basis. At the moment, we don't credit score every customer. It depends what sort of facilities they want." Customers whose credit score is not good will only be allowed to have a cheque book and a cashpoint card. They have to use the account for some months before being considered for the bank's three-in-one card, which acts as a debit payment, cashpoint and cheque guarantee card.

The Nationwide, whose Flexaccount was the first to pay interest on credit balances, has also tightened up procedures and refuses up to 30 per cent of applicants for the account.

John Hutchinson, the Nationwide's retail operations director, said: "We have been progressively tightening up over the last 18 months. There was a short period where banks were encouraging people to borrow. People are being more realistic now."

Lloyds and Abbey National both limit access to cheque guarantee cards, and in the



Overdraft to order: Keith Gardener, who left Lloyds Bank when TSB appeared more able to meet his needs

case of Lloyds, a debit card, to those with good credit ratings.

Lloyds Bank said: "If people join a new bank, they can't expect to get the bells and whistles unless we have knowledge of them and confidence in them. If the customer is a good customer we will make available as many facilities as possible."

Lloyds is particularly cautious about giving out Visa debit cards, because banks are liable once payment is made and accepted. Theoretically, cardholders can spend up to the limit of their account. John Radcliffe, the Abbey National's director of banking, said: "If the applicant has had no relationship with us before, they will probably get a cheque book and a cashpoint card. They then earn the right to have a cheque guarantee card when they demonstrate their ability to run their account sensibly."

Abbey was among the first to offer a £100 cheque guarantee card on its current account for selected customers. Others get a £50 cheque guarantee card and a separate Abbey Link cashpoint card. Like the Nationwide Flexaccount, Abbey's current account has no transaction charges, a benefit that has been copied reluctantly by some of the traditional high street banks.

National Westminster was one of the last to introduce credit scoring about 12 months ago. The bank said

this benefited customers, who automatically got a three-in-one cashpoint card, debit and £50 cheque guarantee card and other facilities. Before, the bank only gave debit and cheque guarantee cards to proven good customers.

Research carried out by the Consumers' Association indicates that people rate lack of transaction charges highly when choosing a current account. Efficient administration is also important, as is interest on credit balances and £100 cheque guarantee cards.

Mark Christopher, marketing manager of Save & Prosper, said: "The main motive for a move to someone like Save & Prosper is that it pays a good rate of interest. The clearing banks have reduced interest on current accounts to derisory levels. Moves account for at least a quarter of our applications."

Another Consumers' Association report said customers were concerned about exorbitant charges, and charges that were unexplained or levied without warning. Banks admitted problems with charges were one reason why people chose to change banks, although any available statistics analysing reasons were kept "for internal use only".

Barclays said: "Changes are normally at the customer's request but it can be because someone is moving house or job. It can also be because the customer is dissatisfied if his or her instructions have not been carried out."

Midland said: "There is a variety of reasons why people change. They could feel they have been overcharged, had problems with a loan, or simply because there is a branch near them." Lloyds said it kept no figures on why people changed and NatWest said it did not want to discuss reasons because it was commercially sensitive.

Most banks take up to ten days to open a new account for a customer transferring from another bank, but some accounts can be processed on the same day as long as customers bring the right identification.

Customers should watch out for charges imposed when changing accounts. Midland will charge customers who are transferring a flat fee of £10 "to cover administration fees". Lloyds will charge £5 for a list of standing orders to be given to the new bank.

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Passing the credit test

By Rupert Steiner

CREDIT reference agencies are used to establish a customer's eligibility for a loan. They use credit scoring, where information gathered from the application form and public records is allocated points to assess the level of risk.

The agency gives high scores to those likely to repay quickly and low ones to those who may not. The score is compared with a "pass mark", which is determined by the individual lender. Different lenders have varying criteria and passmarks.

Agencies check the electoral register to verify the applicant's identity. They also hold public records on county court judgments and bank-

ruptcies, as well as details on existing credit accounts.

In response to an enquiry, an applicant must be told that a credit system was used and is given the right to appeal against an adverse decision. Applicants are given limited details to avoid the possibility of fraud.

A customer must write within 28 days of the last contact with a credit supplier. The latter then has to send the customer's name and address of the agency within seven working days.

To see a copy of the file, customers have to send £1, with details of name and addresses lived at during the past six years. Anyone may

apply to see his or her file. If there is an error, they should write to the agency asking for it to be remedied. The agency should then reply within 28 days. If it does not, customers should write, within a further 28 days, a "notice of correction", which can be added to the file.

Once accepted, the customer's side of the story has then to be used when the file is consulted in future. If the customer's information is not accepted, they must write, under section 159(5) of the Consumer Credit Act 1974, to the director general of fair trading at Field House, 15-25 Bream's Buildings, London EC4A 3DF with the details.

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'Safe option' offers advisers chance for big earnings

Bonds may break promise

By OUR MONEY STAFF

THIS year's falling building society interest rates have provided financial advisers with a lucrative opportunity. The advisers are selling growing volumes of with-profits insurance bonds, presented as safe investments with guaranteed annual bonuses of up to 10 per cent net, plus the prospect of terminal bonuses and easy access to capital.

In the first half of this year, more than £680 million was invested in with-profits bonds, compared with less than £200 million in the second half of last year.

Although still offered by relatively few companies, increasing numbers are jumping on the bandwagon. With sales of ordinary endowments sluggish because of the lack of new mortgage activity and sales of pension plans flagging,

the bonds offer companies a fresh source of business.

Prudential Holborn, which launched a with-profits bond in April offering bonuses of 12 per cent net, has so far attracted more than £120 million.

For advisers, the bonds provide the chance to earn commission of up to 5.88 per cent - nearly £600 on a £10,000 investment - almost double the amount from selling unit trusts.

Some insurers, however, are becoming concerned about the way the bonds are sold. Instead of being presented as medium-to long-term equity linked investments that can out-perform deposit accounts, they are suggested as an alternative short-term home for cash.

Chris Hatry, of Legal & General, said: "The impression is being given that they are 'better' building society accounts from which money can be withdrawn at any time without loss."

Although companies are blaming financial advisers for creating this confusion, insurers are compounding the problem by giving projected cash values for the first five years of the bonds that assume current bonus rates will be maintained.

At least two insurers, Prudential Holborn and Sun Life, are including terminal bonuses in their projections, making the payouts in the early years look competitive.

The practice of quoting long-term with-profits payouts based on current bonus rates was outlawed several years ago by Lantoro, the life assurance and unit trust regulatory organisation, because of the misleading impression the quotes gave. For shorter term projections, however, actual bonus rates can be used.

The chances, though, that bonuses will remain unchanged are slim. The rates are not guaranteed. Indeed, Norwich Union, market leader in with-profits bonds, recently cut its annual rate from 10.5 per cent to 9.75 per cent net.

The rates depend largely on the returns companies earn on their investments, which consist of a mixture of shares, property and fixed-interest securities. To support a net annual rate of 10 per cent, for example, they will have to earn a gross return of more than 13 per cent in the coming year unless they are prepared to dip into their reserves.

Predicting terminal bonuses, which traditionally reflect capital gains over the term of a contract, seems even more risky. But Ian Leech, Sun Life's business development manager, insists "there is a reasonable expectation that we can go on paying our current rates of terminal bonus."

Even if companies are able, however, to maintain their bonus rates on paper, there is no guarantee that they will pay out the full amount on encashment. The best most insurers offer is a full payout on the death of the bondholder. Only Equitable Life and Legal & General guarantee full payment of bonuses after five and ten years respectively.

Most companies reserve the right to make a "market value adjustment" (MVA) on surrender. As Prudential Holborn explains in a note to advisers about its MVA, "If policyholders do surrender in the short term, at a time when the value of the underlying assets is less than the value of the policy including bonuses, then

those policyholders should receive a surrender value reflecting the movement in the underlying assets."

In other words, regardless of the bonuses bondholders may think have safely added to their capital, if a company's investments have not performed as well as expected, or the stock market falls out of bed, the value of their investment will be reduced on encashment. Legal & General is currently applying an MVA to bonds taken out two years ago.

Last week, GA Life took a more forthright approach, announcing it was introducing early redemption charges on money withdrawn from its with-profits bond within three years in an effort to emphasise that it should be viewed as a longer term investment. It still reserves the right, however, to make an MVA on top.

Continued, page 23

BRIEFINGS

EQUITY & Law Home Loans is offering 100 per cent mortgages at 12.25 per cent. The main applicant must earn a minimum £7,500, or £10,000 in London and the home counties.

Barclays has launched a new scheme for students wishing to insure their personal belongings. Premiums depend on postcode, ranging from £40 a year for a £4,000 sum insured in Southampton to £92 a year for the same amount in Liverpool or Manchester. Overseas travel is covered for up to 60 days a year and there is also a 24-hour helpline providing advice on personal legal matters.

The Inland Revenue has introduced a special service for deaf people in 12 of its busiest tax enquiry centres. Each will soon be equipped with Minicom consoles that allow deaf people to hold typewritten conversations with tax advisers. The centres are in Belfast, Birmingham, Bournemouth, Cardiff, Glasgow, Leicester, Liverpool, London, Newcastle, Plymouth, Salford and Sheffield.

Prowing Homes, the South of England builder, is attempting to encourage more buyers back into the housing market with a free financial protection plan that pegs the mortgage interest rate at 12 per cent until January 1996. Prowing has insured itself against rising interest rates with National Westminster Bank.

Diners Club cardholders may now donate money to charity via a special points system. Points are awarded for every £5 charged to the card. Donations are made to the Paul O'Gorman Foundation for children with leukaemia and the Royal Society for Nature Conservation Wildlife Trusts.

Norwich & Peterborough has introduced a new top tier for its Special 85 savings account. Amounts of £50,000 and more now attract a rate of 9.05 per cent net where interest is left invested in the account. This compares with the old rate of 8.9 per cent net, which will now apply only to amounts between £10,000 and £49,000.

The Bank of Scotland is offering an affinity card linked to the National Children's Home. For everyone taking out an NCH Mastercard, the bank will make a donation to the charity, and also when the holder makes a payment with the card.

Jon Ashworth, The Times

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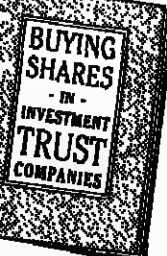
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Fidelity Investments The World's Investment Manager

Unit trust players take advantage of PEP quirk

By Liz Dolan

TWO of the biggest names in the unit trust industry are moving into investment trusts. M&G is launching the Income Investment Trust on September 20 and, in October, Fidelity is due to announce details of the first in a series of new specialist trusts.

Both are seeking to tap a market that has recently shaken off its fusty image and started to repack itself for the modern investor.

Roger Jennings, marketing manager at M&G, said the only reason for setting up the new trust was to allow private investors to take advantage of a quirk in personal equity plan (PEP) regulations. Investors in PEPs are normally only allowed to invest £3,000 in investment or unit trusts, but they may use the entire £6,000 allowance on shares in a newly-formed investment trust.

M&G has embarked on an energetic campaign to get as many private investors as possible to pre-register for shares.

Mr Jennings said he hoped to attract at least £100 million, most of which is expected to come from individuals. The £6,000 PEPs loophole only exists for investors who buy shares before the offer closes on October 17. Those who subsequently pick up shares in the market will be restricted to the normal £3,000 limit.

The new M&G trust is modelled as closely as possible on a unit trust, even down to the charges, which are much steeper than for the average investment trust, Mr Jennings admitted. Entry fees are likely to be between 5 and 6.5 per



Institutional pressure: Barry Bateman of Fidelity

cent, depending on the amount of money attracted by the offer. There is also a 0.75 per cent annual management charge, plus 0.25 per cent for the PEP.

Barry Bateman, managing director of Fidelity Investment Services, said institutional pressure was the spur for Fidelity's entry into the investment trust field. Institutions accounted for just 10 per cent of Fidelity's unit trustholders but were likely to hold about 75 per cent of the new trust. Private investors, however, will be able to take advantage of a full £6,000 PEP and a charge-free savings plan.

The first trust is expected to concentrate on continental Europe. Others, to be launched over the next three years, are likely to take in Japan, Southeast Asia and America. Investors pay an initial fee of about 3.5 per cent, plus a 1 per cent annual charge.

The investment trust industry has benefited hugely

from the introduction of PEPs and other forms of savings schemes as a way of attracting smaller shareholders.

The Foreign & Colonial Investment Trust, the largest in the world as well as the oldest, started the first savings scheme in 1984. Last year alone, it widened its shareholder base by 25 per cent. Then, earlier this year, the authorities gave the market a further boost by allowing all financial intermediaries to market investment trust savings schemes.

Moorgate Investment Management is due to launch one such scheme on September 18. It will be free, save for a £10 charge for selling shares, and linked to one of its three investment trusts. The scheme is part of a campaign by Moorgate to attract more private investors.

Last spring, the group launched its first trust for 31 years, the Moorgate Smaller Companies Income Trust, which attracted 50 per cent support from individual investors, of which 17 per cent are invested in Moorgate's own PEP.

Ivory & Sims, the Scottish investment trust manager, this week introduced a PEP that is completely free of charges. Keith Ounsworth, the business development manager, said the firm was in talks with a building society that wanted to offer a PEP mortgage linked to an investment trust.

Investment trusts are like unit trusts in that both comprise a portfolio of shares in a range of companies. But, unlike unit trusts, they are companies in their own right in which investors buy and sell shares quoted on the stock market. The worth of a unit trust is dictated purely by the value of its underlying assets, while the worth of an investment trust is dictated by the value of its shares.

The share prices of most investment trusts are usually lower than their net asset value, because the assets cannot be realised in the same way as those of a unit trust.

Robbie Robertson, an analyst with County NatWest Woodmac, the securities house, said investment trusts offered a ready-made spread of risks to investors who had limited funds to play with and were prepared to view the shares as a long-term holding.

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BES gears up for tax season

THE Business Expansion Scheme (BES) market is gearing up for its annual autumn mini-boom. This is the time when self-employed taxpayers are seeking ways to minimise their half-yearly tax bill.

In any one year, BES investors may claim relief at their top rate of personal income tax on a maximum investment of £40,000.

Taxpayers who have not used their entire allowance in any one year are allowed to carry back up to 50 per cent of

any BES investment made before October 6 of the subsequent year. The relief carried back in this way is limited to £5,000.

Johnson Fry is bringing out a number of schemes to coincide with the half-yearly demand. Its fifth Super Growth scheme promises investors a net return of 16.49 per cent per annum.

Other new Fry schemes include Kerrington Developments III, Oxford Academic Housing and Predator Five,

all assured tenancy schemes with a £1,000 minimum investment and initial closing dates between October 14 and 18.

Dartington, a merchant bank in Bristol, is launching Great Western Assured Growth, an assured tenancy BES for Knightstone, the housing association.

Assured tenancy schemes claim to guarantee high rates of return because the property in which they are invested is pre-sold.

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Portfolio PLATINUM

For readers who may have missed a copy of *The Times* this week, we repeat below the week's *Portfolio* price changes (today's are on page 29).

	Mon	Tue	Wed	Thur	Fri	Sat	Sun
1	+4	+7	+4	+4	+2		
2	+5	+5	+7	+7	+8		
3	+7	+7	+2	+8	+4		
4	+4	+7	+4	+8	+2		
5	+7	+5	+2	+4	+3		
6	+5	+5	+6	+7	+7		
7	+3	+3	+4	+3	+3		
8	+4	+7	+4	+3	+2		
9	+8	+6	+3	+6	+5		
10	+5	+3	+5	+4	+2		
11	+3	+4	+4	+3	+4		
12	+8	+6	+4	+9	+4		
13	+3	+3	+8	+8	+3		
14	+5	+4	+5	+7	+6		
15	+3	+8	+5	+4	+1		
16	+6	+6	+3	+5	+3		
17	+5	+9	+4	+3	+2		
18	+5	+7	+3	+8	+4		
19	+6	+4	+6	+8	+6		
20	+3	+8	+3	+4	+2		
21	+5	+5	+3	+5	+4		
22	+8	+4	+5	+6	+5		
23	+4	+3	+3	+8	+2		
24	+4	+4	+8	+5	+6		
25	+5	+8	+5	+3	+5		
26	+7	+8	+2	+4	+3		
27	+2	+4	+5	+4	+2		
28	+5	+4	+7	+8	+6		
29	+4	+7	+5	+3	+1		
30	+4	+4	+7	+8	+7		
31	+6	+8	+4	+5	+4		
32	+6	+3	+5	+8	+8		
33	+3	+3	+5	+4	+8		
34	+3	+5	+3	+3	+1		
35	+5	+7	+4	+3	+2		
36	+3	+3	+8	+5	+4		
37	+5	+4	+6	+7	+7		
38	+3	+3	+4	+4	+3		
39	+6	+6	+8	+6	+6		
40	+2	+3	+4	+3	+3		
41	+4	+6	+4	+2	+3		
42	+7	+7	+4	+4	+5		
43	+3	+3	+3	+4	+4		
44	+5	+5	+8	+8	+5		

Credit to charity and sense

From Mrs Diana Rau

Sir, With reference to fees for credit cards, I should like to recommend my strategy, which has up to now been successful.

When Barclaycard started to charge, I was one of the large number of cardholders who cancelled their accounts. I now have two charity credit cards: a National Trust Visa Card and an Arts and Crafts Mastercard, both run by Midland Card Services.

I have correctly assumed that as worthy organizations these will not have to carry any charges for the benefits gained from customers' (do-

nors') use of cards. The charities, and there are many now in such schemes, receive a sum when the cardholder joins and a small sum proportional to the use of the card - the equivalent of Profits, Air Miles, or other benefits.

Provided that there remains no charge for such charity credit cards, it seems that everyone will benefit - cardholders and charities.

Let us hope that this last vestige of goodwill and common sense does not disappear! Yours faithfully, DIANA RAU, 38 Fairfax Road, NW6.

LETTERS



Mint condition

From Mr Nigel Goldman

Sir, We refer to your article in last weekend's (August 31) edition of *The Times*.

We would like to point out to your readers that as the country's leading dealers in certified rare coins, we have no association with the company "CRUSC" that you mention in your article.

We would also like to make your readers aware that independent grading of coins has revolutionised the entire rare coin market, and offered investors protection in respect of the coins they are being sold in so much as the condition of the coins is concerned.

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Yours faithfully, NIGEL GOLDMAN, Rare Coin Investments Plc, Weir Bank, Bray on Thames, Berkshire.

Savings revisited

From J. A. Patterson

Sir, In your issue of August 17, Mrs R. A. Stevens asked whether there was a simple way of making full use of what she called her personal tax-free allowance on her savings income. She mentioned accounts at the Post Office.

National Savings has the simple way for all savers to get gross interest. They can save with our Investment Account or Income Bonds - or our Capital Bonds, which offer a guaranteed return.

Mrs Stevens clearly has to pay some income tax. So she would not be able to sign the Inland Revenue registration form which enables non-taxpayers to qualify for gross interest on their bank or building society savings accounts.

National Savings does not ask non-taxpayers to fill in this form to qualify. But the important point for Mrs Stevens as a taxpayer is that she can get gross interest automatically from the three products I mentioned above. Mr Stevens and other readers in a similar position may wish to conclude that it was National Savings Investment Account, Income Bonds and Capital Bonds that she had in mind.

Yours faithfully, J. A. PATTERSON, National Savings, Charles House, 375 Kensington High Street, W14.

Home help

From Mrs Veronica Craven

Sir, Your letters this week (August 31) deal with women handling their own finances.

If a husband cannot read and write and if the wife can read and write, then she does the "work".

If a husband works seven days a week and has no holiday and if the wife is a housewife, she has to do the paperwork and sort out the finances. If a man is building up a business, surely it is only common sense to get the wife to do as much lightweight work as possible.

Surely no-one pays an accountant if their wife can do the work. If a wife is a full-

time housewife she has the time to read a manual on tax etc. Men who work long hours should be entitled to come home and have a rest... not start doing the books and paperwork.

I can't understand how women can think they are clever doing these everyday jobs. Who else do they think should do them?

The men aren't in the house all day so how can they visit the tax inspector during office hours?

Yours faithfully, Mrs V. A. CRAVEN, Blackhill Cottage, Hatton Bank Lane, Blackhill, Stratford-upon-Avon, Warwickshire.

Lower rate

From Mr O.R. Todd

Sir, I refer to the article "Lower rates on offer to investors who take monthly income" (August 31).

This does indeed appear to be so, but you state that the Abbey National "works out monthly rates on its 90-day investment account so that if all the interest is reinvested the customer would receive interest equivalent to the annual rate at the end of the year".

However, the nominal rate of 7.62 per cent for monthly income on £10,000 in the (90-day) investment account compounds up to a CAR of 7.89 per cent (to two places of decimals) whereas the annual rate on the same amount is 7.99 per cent (equivalent to monthly interest of 7.71 per cent).

In fact, this lower rate of interest for monthly income is a recent development (about

March this year), as in January this year the Sterling Asset account, on £10,000 offered 10.30 per cent, compounding to 10.80 per cent for the year - the rate actually offered then.

However, I do feel that investors ought to know that even if they leave their monthly income in their account, it will still yield less at the end of the year than the once-yearly payment - your article states that they receive the same.

Yours faithfully, O.R. TODD, The Gables, 3 Main Road, Biddenham, Bedford.

Letters are welcomed, but *The Times* regrets it cannot give individual replies or advice. No legal responsibility can be accepted for advice or statements in these columns and independent professional advice should be sought.

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Relie

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the best offers

25 mortgage rate

Relief on home front

Sara McConnell reports on the best offers available as mortgage rates improve

MILLIONS of home owners will pay less for their mortgages from next month after lenders reacted swiftly to this week's base rate cut. Existing borrowers will benefit from next month, while new borrowers can take advantage immediately.

First-time buyers are being tempted into the housing market with further discounts off the new rates and there is also a range of fixed-rate loans on offer.

The Abbey National, the second largest mortgage lender, has cut its fixed-rate mortgage from 10.75 per cent to 10.45 per cent (an annual percentage rate of 12 per cent) until December 1993.

The offer applies to repayment, endowment and pension mortgages, while the 2,000 people who have already applied for the earlier fixed-rate offer will be switched automatically to the new rate, free of charge. A borrower with a £50,000 mortgage will save £38.96 a month on the new standard rate. There is a £95 arrangement fee and 90 days' interest will be charged for early redemption. Midland Bank is offering mortgages fixed at 10.6 per cent until September 30, 1993, and cutting its rate by 0.5 per cent to 11.45 per cent.

The Portman Building Society, based in Bournemouth, has undercut the Abbey and the Midland with a 9.99 per cent (APR 12.4 per cent) mortgage fixed until January 1, 1994. There is an arrangement fee of £100 and a further £250 is debited when the mortgage is completed. The society will accept remortgage applications if the amount does not exceed the existing mortgage by more than 10 per cent.

A fixed rate of 9.99 per cent is also available from Chase de Vere and John Charcol, two independent mortgage brokers, held until 1994.

John Charcol will arrange deals for loans of more than £30,000, less than Chase de Vere's minimum of £50,000. Both brokers charge a £350 arrangement fee and there is a penalty of three months' interest for early redemption. The loans can be endowment, pension or repayment.

First-time buyers can also find good deals as lenders try to kick-start the house market. One of the best discounts comes from the National &

Provincial, which is offering a 2 per cent discount on its new rates up to January 1, 1993, giving a rate of 9.5 per cent for the first year. N&P's new standard rate is 11.5 per cent. Repeat buyers also get a 1 per cent discount for the first 12 months.

Lloyds and Midland are the only clearing banks to have announced a cut, with Lloyds continuing to offer a 1.75 per cent first-time buyer discount off the new rate of 11.55 per cent. A first-time buyer will save £32.82 a month on a £30,000 loan and £76.57 on a £60,000 loan.

The Halifax, the largest society, is still offering its 1.5 per cent discount for first-time buyers. First-time buyers borrowing between £60,000 and £100,000 can get a discount of up to 2.2 per cent. The Abbey is offering a 1.5 per cent discount on its new rates until January 1993. First-time buyers with loans of less than £60,000 will get a rate of 10.05 per cent, while those borrowing between £60,000 and £100,000 will pay 9.33 per cent. Mortgages of more than £100,000 attract a rate of 9.10 per cent. Other existing borrowers will see cuts of between 0.4 per cent for loans of less than £60,000, and 0.3 per cent for loans of more than £100,000.

First-time buyers with the Nationwide get a 1.5 per cent discount on the society's new rates, now 10 per cent for all loans up to £60,000 and 9.30 per cent for anything above. Existing borrowers will pay 11.5 per cent for loans of less than £60,000, 10.8 per cent on loans of between £60,000 and £120,000, and 10.5 per cent for loans of more than £120,000.

The best offer for all borrowers comes from the Yorkshire Building Society, which has cut its rate by 0.85 per cent to 11.1 per cent. First-time buyers will get a discount of 2.55 per cent for the first six months, bringing their rate down to 8.55 per cent. There is a 2 per cent discount for three months for remortgages, giving them a rate of 9.1 per cent. The offer only applies to those who complete before November 30. The society will also contribute up to £200 in legal fees for loans of £40,000 or more with a maximum value of 80 per cent of valuation. Loans of between £25,000 and £39,000 will get £100 towards legal fees.

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Name (Mr/Ms/Ms) _____
Address _____
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NOTES

1. If you are a basic rate or non-taxpayer, 43.4% of your investment is used to purchase an annuity which will provide income for five years. The remaining 56.6% will be invested in a With Profits Bond. If you are a higher rate taxpayer the split is 39.3% and 60.7% respectively.

2. Under normal circumstances the income from the Plan provided by the annuity will be paid to you net of basic rate tax on the proportion of the income payment which is not regarded by the Inland Revenue as a return of capital. Unless you are subject to higher rate tax, you will have no further tax to pay.

3. The annuity will have a liability to the difference (currently 12%) between the basic and higher rate on the proportion of the income payment which is not regarded by the Inland Revenue as a return of capital. The proportion of the income payment regarded as a return of capital is called the "Capital Element" and bears no tax. Full details will be given to each applicant, together with an Inland Revenue form which must be completed on fulfilment before annuity payments can be made.

4. Unlike other unit-linked investments, the cash-in (bid) price of the With Profits Bond units is fixed at 100p. This price is 95% of the buying price (offer), which is 105.10p. This 5% difference is the only direct charge made. All other investment costs and charges are borne by the Fund when calculating the bonus rate.

5. Your Bond is designed to grow by the annual addition of Bonus Units representing your share in the profits earned by Sun Life. The number of Bonus Units you receive will depend upon the number of Units held and the period for which they have been held in the Fund since the last declaration of bonus. Other bonuses are added which cannot be taken away.

6. The growth of your Bond will depend upon the rates of bonus declared in the future. Of course, the past is not necessarily a guide to the future and recent increases or decreases in the future rate of bonus achieved during a period of significant market rises and falls may lead to very high rates of bonus and inflation. The bonus rate is influenced by financial conditions at the time of declaration and can be expected to fluctuate. Since bonuses come from profits yet to be earned, future levels cannot be guaranteed.

7. When you invest you will be sent a statement confirming the number of units allocated to your Bond. Every year we will tell you how many Bonus Units have been added to your Bond and the total units held. Because the cash-in price of units is fixed at 100p it is easy to keep track of the value of your Bond.

8. Any profits you make from the Bond will be completely free of basic rate tax and Capital Gains Tax.

9. In practice, when you cash in your Bond, the profit you have made is divided by the number of complete years the Bond has been in force, and the resulting figure (the "average gain") is added to your existing income to see whether your total income is large enough to take you over the basic rate tax band. If so, the liability in respect of the average gain exceeding any lower rate tax liability, is multiplied by the number of complete years the Bond has been in force to ascertain the liability on the whole profit. Higher rate taxpayers, in the case of withdrawal, will be liable to the difference between basic and higher rate tax on the profit, when they cash in. If you keep your Bond for the full five years, as you can see from the surrender values below, it should return your original investment.

10. For the purpose of determining the age advantage, any profit on full encashment will be added to life to your total income. Provided your revised total income does not then exceed the income threshold of no loss of age advantage will result.

Further information on the taxation aspects of the Bond is available on request.

11. Your With Profits Bond investment is invested in a Fund upon which Sun Life is subject to tax on investment income and capital gains. Bonus units added to your Bond from time to time are derived from total profits and the Fund has no further liability to tax on the amount of bonus allocated.

12. You can cash in your Bond investment whenever you wish simply by informing us in writing of your decision and returning your Bond documents. The annuity has no cash-in value.

When you choose to cash in your Bond you will receive the value of all the units you hold. If the total investment is £10,000 of which £5,000 is invested in the Bond, then you will receive £5,000 from the Bond and the projected amount payable on the first five anniversaries would be as follows:

End of year	Surrender value
1	£5,000
2	£6,000
3	£7,500
4	£9,000
5	£10,000

These values have been calculated according to rules prescribed by LAUTRO. Sun Life does not guarantee that the amount to be paid if the contract is terminated at once or the duration specified will be as high as the amounts indicated. The amount actually payable will depend on the number of units held and the bonus declared.

11. In exceptional investment circumstances, Sun Life reserves the right to impose a "Market Value" adjustment on the bonus which would be essential to protect the interests of all those who remain invested in the With Profits Fund. Although all the funds performance would be adversely affected by a large number of encashments when such markets are low - which could force Sun Life to sell investments at reduced values.

12. Sun Life will of course incur expenses both in setting up your Plan and in administering all the time it is in force. The value earned will obviously be less than the Bond, and these expenses are necessary. The figures below illustrate reductions in value attributable to these expenses.

Single Premium to Bond	"Annual Reduction in Yield" if invested in after 5 years
£ 5,000	2.2%
£10,000	1.9%

The above figures have been calculated on the basis laid down by LAUTRO (the regulatory authority for the marketing of life assurance and unit trusts), assuming current levels of expenses remain unchanged. If withdrawals are made then the reduction in value would be higher than those shown above.

13. The terms of this offer may be printed in other advertisements which include the application form shown. If we repeat the offer, these terms may no longer be applicable.

This literature is based on our understanding of current law and Inland Revenue practice and current tax rates and assumes these remain unchanged. A copy of your completed Application Form and/or specimen of your policy will be available on request. There are no cancellation rights under the Financial Services (Cancellation) Rules.

The levels of bonus allotted to Bondholders and the proportion of profits allocated to shareholders are determined by our directors at their discretion, subject to the With Profits policyholders receiving not less than 90% of the distributed profits. Return of your original investment in the Plan is not guaranteed.

Sun Life Assurance Society plc, St James' Barron Bristol

HOMEBUYERS are facing premium rises of up to 25 per cent on mortgage repayment protection insurance, with a simultaneous reduction in cover of as much as 50 per cent. The insurance covers mortgage repayments if a borrower is made redundant or falls ill and is unable to work (Liz Dolan writes).

The move has been prompted by heavy losses suffered by all insurers in the face of rising claims and a steep reduction in new business. Insurers are reluctant to disclose how much they are losing on redundancy cover, but with unemployment expected to rise until well into next year, they are braced for a continuing increase in the number and duration of claims.

Most companies involved in this type of insurance are hurriedly renegotiating terms of cover with the lenders who market their policies.

Sun Alliance, which has seen a 50 per cent increase in claims this year, is raising premiums for new borrowers by between 20 and 25 per cent. All policies that currently repay the mortgage for up to two years are due to be reduced, probably to 18 months, possibly to 12 months. Each lender is negotiating its own terms.

Renewals will not be affected until about the end of this year. Sun Alliance this week announced losses for the half-year of £114 million. The increases are not expected to cancel out losses initially but are simply expected to speed the company's recovery later on. Sun Alliance markets policies through about a dozen building societies.

Lenders, anxious to generate as much commission as possible, are driving hard bargains with the insurers. General Accident, which successfully renegotiated terms with Abbey National, has just lost a similar contract with the Halifax to Financial Insurance, the largest and oldest player in the business. Neither will reveal the reason for the split.

FI took over the business for both personal loans and mortgages from GA at the beginning of this month. The new Halifax policy charges £5 per £100 monthly payment covered, against £4 previously. Repayments are covered for two years, as previously, but are now paid out on the 31st day of redundancy, rather than the 91st.

About 170,000 of the soci-

Heavy losses lead insurers to slap 25% on cost of loan protection

et's borrowers, 10 per cent of the total, are now covered for redundancy. The Halifax said that one in six of its new borrowers are now taking out policies, compared with one in eight at the same time last year.

Jim Hunter, manager of GA's creditor insurance department, vehemently denied industry talk that it was now trying to withdraw from the payment protection market altogether. He pointed out that the company had just launched a 24-hour telephone helpline for Abbey National's policyholders, who also receive a 22-page booklet on redundancy.

GA has also set up a new specialised claims handling department for creditor insurance and has signed up a new client, the Cheshire Building Society.

General Accident Property Services, GA's estate agency arm, is also planning to offer free redundancy insurance with every house it sells in a

scheme due to be launched this year.

Financial Insurance set up the first-ever payment protection policy in this country 19 years ago. Stephen Hales, the personnel resources director, said: "Many later entrants to the field have got their fingers badly burnt because they do not check out claims properly. You have to get the pricing right, but you also have to make sure that the person who claimed they could not work for three months because of a broken wrist is not still claiming after five months."

FI expects to have received 300,000 new claims by the end of this year, compared with 220,000 last year. It is not currently negotiating terms of any policies with other lenders, which include Barclays Bank and the Britannia Building Society, but said it was "always possible at some point".

Eagle Star, which has had an especially tough time in this field recently, was unable to supply any details, either of losses or the current state of its relationship with clients. It could not, in fact, supply the names of any lenders with which it has a policy.

The company could not say whether it was planning to cut its losses and withdraw from the market completely.

Eagle Star did confirm, however, that existing policies will soon see the benefit period for mortgage repayments after redundancy falling from two to one year.

Announcing the Sun Life 50Plus Secure Income Plan

The safe way to protect your income from falling interest rates.

It is vital that you consider your future income now! With interest rates continuing to fall, money on deposit is earning substantially less than it did a year ago - but where will it end? How much lower will your income be next year? Can you afford it to be any lower?

You need not worry. The Sun Life 50Plus Secure Income Plan now offers you the high level of income that you have been accustomed to, guaranteed for the next 5 years.

And 50Plus Secure Income Plan doesn't stop there. It also gives you the confidence that comes with knowing you have a consistent income, one that doesn't fluctuate, so once you invest you know exactly where you stand.

How is it done? Well it couldn't be simpler. Your investment is first split into two parts.

One part is invested in an annuity at the excellent returns currently available, and this provides your guaranteed income.

The second is invested in Sun Life's With Profits Bond which, by design, aims to provide secure smooth growth to return your capital at the end of 5 years.

What 13.7% means to you

If you are a basic rate taxpayer this rate means you will receive a net half yearly income (like building society interest) of a full 10% p.a. - even after allowing for basic rate tax!

And if you take your income monthly you can still enjoy a full 9.85% p.a. after basic rate tax. As you can see from the table, you could secure yourself a sizeable income for the next 5 years.

Furthermore these rates are guaranteed regardless of what might happen to the economy, the stockmarket or interest rates.

So you can see your income is fully protected.

And your capital...

The With Profits Bond part of your Plan is designed to produce secure, smooth growth typically associated with this type of investment.

Your Bond will earn regular bonuses which, once earned can never be taken away and your Bond could also qualify for a special bonus.

With Profits Bond has been designed with the aim of replacing all your capital after 5 years, but you should remember that bonuses come from profits yet to be earned and the return can therefore not be guaranteed.

Just to give you an idea of the return you can expect, your cash-in value is designed to be at least equal to your total initial capital outlay (see Note 10).

Tax features

The income from the Annuity - will be paid net of basic rate tax unless you are a non taxpayer, in which case it may be possible for it to be paid without deduction of tax.

Typical Fluctuations Of A Higher Rate Building Society Account

All Building Society figures are based on a typical higher rate Building Society account with interest taken each year. These interest rates are net of basic rate tax.

13.7% INCOME SECURED FOR 5 YEARS

(Equivalent Annualised Gross Yield)

The capital - when you come to cash-in your Bond, the profit will be free of basic rate tax and capital gains tax.

Your Investment	Half yearly	Monthly
Amount	10% p.a.	9.85% p.a.
£7,500	£375.00	£31.56
£15,000	£750.00	£63.12
£20,000	£1,000.00	£84.16
£50,000	£2,500.00	£210.41

* The above figures show the guaranteed income you will receive net of basic rate tax at 25%, and assume all tax rates remain unchanged for the five year period.
* For investment amounts not shown above, simply calculate your income in proportion.

Flexibility in 5 years time

You have three options after 5 years:

i) You may reinvest your capital in a similar plan and continue to take income, so making the most of the best market terms at that time, or

ii) you may cash in your Bond and take the cash sum, or

iii) if you no longer require income

you can simply leave the capital in your Bond to accumulate.

Cashing-in early

If you require capital before 5 years are up, all you need do is let us know in writing and we will cash-in your Bond units at the bid price and pay your cash value.

This will not affect your income payments from the Annuity which will continue for the full five years.

What if the worst happens?

The 50Plus Secure Income Plan aims to give you capital a high degree of protection at all times.

Should you die during the 5 years, income payments would cease and the difference in the gross income payments already made and your original annuity investment will be returned in full together with 101% of the cash in value of the Bond.

Non Basic Rate Taxpayers

Even if you are not a basic rate taxpayer, the income you could receive is highly competitive. For details please contact our FREEPHONE number below.

Invest with a name you can trust

With 6 key industry awards in the last 5 years and being named "Unit Trust Manager of the Year" by What Investment Magazine Sun Life's Investment Management Team's record speaks for itself.

Who can invest in 50Plus Secure Income Plan?

As its name suggests, the Plan is available on these terms only to people aged between 50 and 80 inclusive.

How do you apply?

Just decide how much you wish to invest. There is a minimum investment of £7,500 and no upper limit. Then complete the PLAN APPLICATION FORM below and return it to the address shown together with your cheque made payable to "Sun Life Assurance" for the amount you wish to invest.

We will set up your Plan and send you the documents that will enable your income payments to be made.

If you have any questions

If you have any questions about the Sun Life 50Plus Secure Income Plan please ring our Service line free of charge on -

0800 27-21-27.

If you have a financial advisor you wish to contact them directly.

THIS OFFER CLOSES ON 28TH SEPTEMBER, 1991

50PLUS SECURE INCOME PLAN APPLICATION FORM

☐ YES, I wish to apply for the Sun Life 50Plus Secure Income Plan. I attach my cheque for £... made payable to 'Sun Life Assurance'.

Details Of The Proposer in whose name the contract is to be issued must complete:

Forname (Mr/Ms/Ms/Ms)
Surname
Date of Birth Day Month Year
Proposer's home address
Postcode

Daytime Telephone Number (For administration purposes only)

Amount to be invested £ (Minimum £7,500 Multiple of £10)

Term 5 years
Annuity Payable Please tick:
☐ HALF-YEARLY ☐ MONTHLY
If you are either a higher rate or non-tax payer please tick the appropriate box:
☐ Non Taxpayer ☐ Higher Rate Taxpayer

Authority For Payment
I request that until further notice the Annuity payments be paid by Sun Life Assurance Society plc Registered Office: 107 Cheapside, London EC2V 6DU Registered in England No. 779273 MEMBER OF LAUTRO

Direct Credit Transfer to my Bank or Building Society Account as follows:
Name of bank/building society
Account Number
Bank Sorting Code
Name of Account Holder
Any changes in these instructions should be notified, in writing, to Sun Life Cashiers' Dept. at P.O. Box 250, Sun Life Court, St James' Barron, Bristol BS58 3SE.

I declare that the foregoing statements are to the best of my knowledge and belief true and complete.
I hereby apply for a 50Plus Secure Income Plan (Capital Protected) Temporary Life Annuity and With Profits Bond as described herein.
I understand that if my proposal is accepted, the Bond and annuity will commence on a date which will be advised to me by Sun Life.
Signature of Proposer
Date: 1488 V4
Copies of the policy, policy conditions and the completed proposal form will be available on request.
SEND TO: Sun Life, Customer Services Unit, P.O. Box 620, BRISTOL, BS58 1SL.

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Co-op gold card fuels debate over charging

By Liz Dolan

THE Co-operative Bank has launched a gold card that is not only issued free of charge but is guaranteed to remain so for all people who apply before the end of this year.

The move will fuel the continuing debate about credit card charges, and follows National Westminster Bank's decision last week to become the last of the leading clearing banks to introduce a scale of fees.

Applicants for the Co-op's gold card must earn more than £20,000 a year and be able to satisfy a stringent checking procedure that already results in a 50 per cent rejection rate of those applying for the bank's existing Classic card. Gold card holders do not need to be current account customers but, if they are, the card also guarantees cheques up to £100.

The card doubles as a charge card and credit card, both of which enjoy a maximum of 46 days' free credit. In another departure from the banking norm, Terry Thomas, the managing director, said the Co-op was actively seeking people who repay their balances in full every month.

Gold card customers who do not pay their balances off in full every month will be charged monthly interest of 1.75 per cent, an annual percentage rate (APR) of 23.1 per cent, if they are prepared to sign a direct debit agreement for the minimum monthly payment.

That sounds generous, but may encourage more forgetful, or lazy, cardholders to repay just the minimum amount, thus attracting higher total



Departure from the norm: Terry Thomas, managing director of Co-operative Bank

interest. Those who reject the direct debit option are charged 2 per cent monthly, an APR of 26.8 per cent.

None of the Co-op's cards carries a charge at the moment, and the bank has no intention of introducing any, either on the Classic card or the bank's affinity cards linked to the Royal Society for the Protection of Birds, the Liberal Democrats and the Labour party.

Mr Thomas makes no secret of the fact that he is keen to win market share from institutions who have bitten the

bullet and started to charge annual fees. They include all the leading banks, except the TSB, and some building societies, notably the Halifax.

Affinity cards, on which part of the interest goes to charity, still tend to be issued free. NatWest, however, is an exception to that rule, choosing to impose charges on all its cards.

The TSB, which offers an affinity card linked to the Save the Children Fund, says it will definitely not impose a charge on that, or any other of its cards, before October 31,

1992, the end of its next financial year.

The bank said: "We have absolutely no plans to do so after that, but 'forever' is a long time. We are aware that it would be a very unpopular move among our customers, which of course is something NatWest admitted was a problem when it announced its own list of charges last week. We see no reason to follow suit." The TSB has 3.6 million credit card customers.

Other institutions still issuing free credit cards include Girobank, National & Provincial, Leeds Permanent, Yorkshire Bank, Clydesdale, and Town & Country. The Royal Bank of Scotland announced last week that it would be introducing a fee from January next year.

Cardholders should also be aware of the date from which interest is charged on their outstanding balances. Most of the leading issuers are opting to charge interest from the date of purchase on all balances that are not repaid in full. They include the Co-op, TSB, National & Provincial, Bank of Scotland and Yorkshire Bank, as well as the big four clearing banks.

Third shareline told to close

By Sara McConnell

ANOTHER telephone share information line, carrying a recorded message to Eurotunnel shareholders, was told to close this week after an independent watchdog ruled it contained misleading advertising.

The message was recorded by the City Information Bureau, who wrote to shareholders telling them to ring an expensive 0898 telephone number to hear "information which may affect the value of your shareholding". Calls to the number cost 45p a minute between 9am and 6pm, and 33p offpeak.

The company bought registers of shareholders in

Amstrad, Tottenham Hotspur and Mirror Group Newspapers, as well as Eurotunnel. The line was rented directly from British Telecom by Clubcall, part of Ladbrokes, which in turn rented it to the City Information Bureau.

The service watchdog, the Independent Committee for the Supervision of Standards of Telephone Information Services (Icstis), has asked for the message to be removed by this Monday evening.

Icstis has already closed down lines advertised to Amstrad and Tottenham Hotspur shareholders.

Icstis said: "Our real concern was with how the letter

was presented and how the service was promoted as well as with the recording itself. The letter gave the impression that shareholders were going to hear something that wasn't in the public domain about their shares, which wasn't the case."

Those signing a contract with BT for an 0898 line agree to abide by a code of practice, monitored by Icstis. The message breached the code.

INTEREST RATES ROUND-UP

	Nominal rate	Compounded at 25%	40%	Maximum investment £	Notice	Contact
BANKS						
Ordinary Dep A/c	2.53	2.56	2.12	none/none	7 day	
Fixed Term Deposits:						
Barclays	7.50	7.41	5.93	25,000-50,000	1 mth	071-626 1567
	6.50	6.32	5.08	2,500-no max	1 mth	Local Branch
Lloyds	6.81	6.61	5.25	2,500-no max	8 mth	Local Branch
	6.50	6.32	5.08	10,000-no max	1 mth	0742 626655
Midland	6.50	6.32	5.08	10,000-no max	3 mth	0742 626655
NatWest	6.50	6.32	5.08	10,000-24,000	1 mth	071-726 1000
	6.50	6.32	5.08	10,000-24,000	8 mth	071-726 1000

HIGH INTEREST CHEQUE SAVING						
Bank of Scotland IMAC	6.48	6.38	5.34	2,500	none	081-545 6000
Barclays	6.15	6.29	5.03	2,500	none	0804 258891
Co-operative	2.25	2.30	1.84	1,000	none	071 626 6543
Girobank	5.63	5.53	4.50	1,000	none	051 966 2076
Lloyds NCA	1.88	1.89	1.51	1,000	none	0274 433372
Midland NCA	5.72	5.80	4.84	2,000	none	0742 626655
NatWest	5.08	5.18	4.13	500	none	071-574 3374
Special Reserve	6.08	6.21	4.97	2,500	none	031-666 6955
TSB Bank	5.18	5.18	4.14	2,000	none	071-600 6000

BUILDING SOCIETIES						
Ordinary Share	5.25	5.25	4.20	1 mth	none	
Best buy - largest socs:						
Portman	7.50	7.50	6.24	500 mth	none	
Cheltenham & Gl	8.74	8.74	6.88	2,500 mth	30 day	
Northampton	8.00	8.00	7.20	2,500 mth	90 day	
Shropshire	8.00	8.00	7.20	2,500 mth	1 year	
Bedford & Bigg	8.25	8.25	7.40	2,500 mth	1 year	
Best buy - all socs:						
Southdown	8.25	8.25	6.80	1 mth	none	
Bedford & Bigg	8.25	8.25	6.80	500 mth	30 day	
Northampton	8.00	8.00	7.20	2,500 mth	90 day	
Shropshire	8.00	8.00	7.20	2,500 mth	90 day	
Bedford & Bigg	8.25	8.25	7.40	2,500 mth	1 year	
Cash/Cheque Accounts:						
Halifax	3.41	3.41	2.73	60 mth	Rate rise	
Card Cash	3.41	3.41	2.73	60 mth	Rate rise	
Alliance & Leicester	3.41	3.41	2.73	60 mth	Rate rise	
Cash Plus	3.41	3.41	2.73	60 mth	Rate rise	
Northdown	3.41	3.41	2.73	60 mth	Rate rise	
Anglia	3.41	3.41	2.73	60 mth	Rate rise	

NATIONAL SAVINGS						
Ordinary A/c	5.00	3.75	3.00	5-10,000	8 day	041-648-4556
Investment A/c	11.50	8.25	6.50	5-25,000	1 mth	041-648-4556
Income Bond	11.75	8.51	7.05	2,000-25,000	3 mth	0223 69151
Dividend Bond	11.75	8.51	7.05	2,000-25,000	3 mth	041-648-4556
3rd Issue Cert	8.50	8.50	6.50	25-5,000	3 day	081-386 4000
Treasury Plan	8.50	8.50	6.50	20-200 mth	14 day	081-386 4000
Capital Bond	11.50	8.25	6.50	100-100,000	5 yrs	041-648-4556

GUARANTEED INCOME BONDS						
Canada Life	9.05	9.05	7.50	50,000 mth	1 yrs	Figures from
New Direction Fin	9.20	9.20	7.50	5,000 mth	2 yrs	Chase de
Prosperity	9.25	9.25	7.50	2,000 mth	3 yrs	Versa
Providence Cap	9.25	9.25	7.50	25,000 mth	4 yrs	071 404 5768
Consolidated Life	9.50	9.50	7.50	2,000 mth	5 yrs	for details

OTHER (INSURANCE COMPANY)						
Liberty Life	10.25	10.25	8.50	50	Rate capped to 1.15%	

LARGER LOANS						
Interest	10.50	10.50	10.50	10.50	10.50	10.50

BUILDING SOCIETIES						
Guaranteed	9.50	9.50	8.00	90	Guaranteed at least 2%	
Guaranteed	10.50	10.50	8.00	90	Below 1% discount	
Guaranteed	10.50	10.50	8.00	90	After 1% discount	

BANKS						
Abbey National	10.50	10.50	8.00	90		

OTHER (INSURANCE COMPANY)						
Liberty Life	10.25	10.25	8.50	50	Rate capped to 1.15%	

OTHER (INSURANCE COMPANY)						
Liberty Life	10.25	10.25	8.50	50	Rate capped to 1.15%	

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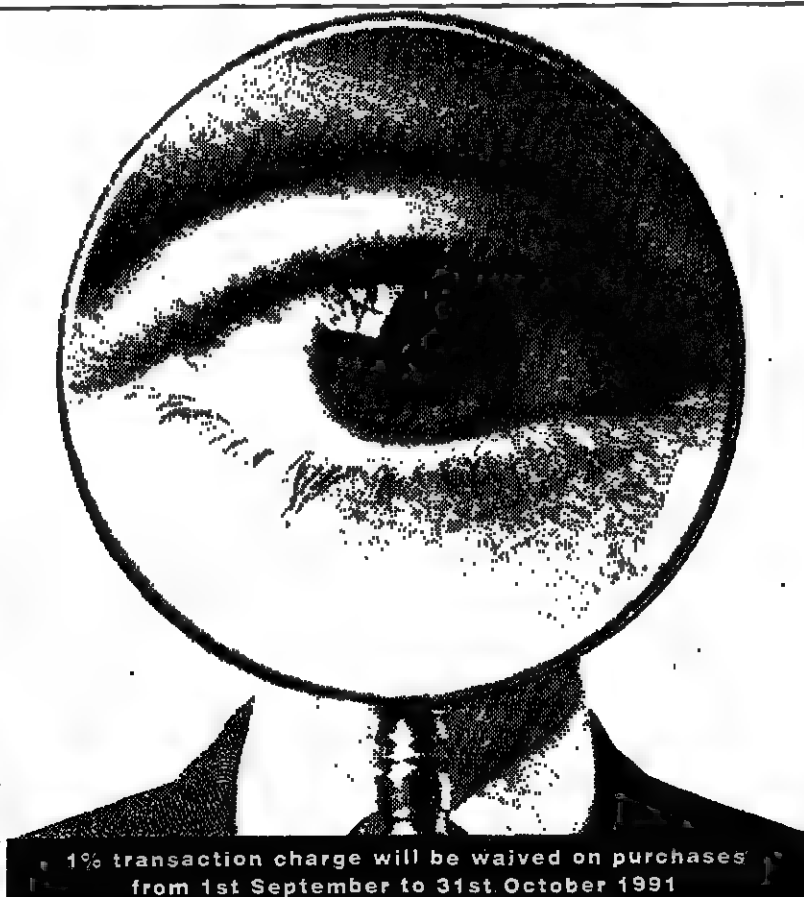
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MONEY MARKETS

[illegible][illegible]

Bahrain dirham	0.0365-0.0366	Bulgaria (Cont)	12.11-12.12
Brazil cruzeiro *	588.01-589.34	Canada	35.00-35.02
Cyprus	0.00-0.01	Denmark	1.4401-1.4414
Finland markka	7.1425-7.2002	France	87.000-87.004
Greece drachma	352.85-352.85	Germany	1.8550-5.8550
Hong Kong dollar	15.1330-15.1475	Italy	1.7392-1.7397
India rupee	4.92-49.33	Hong Kong	7.6757-7.6759
Kuwait dirham KD	0.4815-0.4816	Japan	12.926-12.928
Malaysia ringgit	4.00-4.01	South Korea	135-135.05
Mexico peso	5075-5755	Netherlands	1.9500-1.9510
New Zealand dollar	2.9175-2.9241	Sweden	8.7500-8.7504
Saudi riyal	2.00-2.01	Switzerland	7.68-10.1480
Singapore dollar	2.9043-2.9026	Taiwan	1.7180-1.7190
S. Africa rand (R)	6.4294-5.5515	Thailand	10.55-10.56
S. Africa rand (cont)	6.4294-5.5515	United Kingdom	2.5208-2.5210
U.A.E. Dirham	6.1875-6.2876	USA dollar	1.5285-1.5295

Source: Bank of England, London. *Lloyds Bank

TREASURY BILLS: Apr/May: 11.875% bid/ask: £200m; Bids: 107.575% net/bid/ask
 20% Last week: 107.485% received: 100%: Avg rate: 107.290% net/bid: 107.500%
 Next week: £200m.

LONDON FINANCIAL FUTURES

	Period	Open	High	Low	Close	Volume
FT-SE 100						
Previous open interest: 40160	Apr 01	2735.5	2765.0	2679.0	2735.0	
	Dec 91	2735.5	2738.0	2725.0	2730.0	
Three Month Sterling						
Previous open interest: 137504	Dec 91	86.71	86.74	86.64	86.73	78
	Dec 91	86.17	86.18	86.10	86.22	84
	Dec 91	86.17	86.18	86.10	86.22	84
Three Month Eurodollar						
Previous open interest: 30749	Dec 91	94.36	94.38	94.26	94.34	17
	Dec 91	94.36	94.38	94.26	94.34	17
	Dec 91	94.36	94.38	94.26	94.34	17
Three Month Euro Dfl						
Previous open interest: 131916	Dec 91	90.73	90.79	90.72	90.77	76
US Treasury Bond						
Previous open interest: 3804	Dec 91	97.67	97.67	97.61	97.63	4
	Dec 91	97.67	97.67	97.61	97.63	4
Long Gilt						
Previous open interest: 18365	Dec 91	94.16	94.34	94.11	94.30	20
	Dec 91	94.22	94.25	94.13	94.22	204
Japanese Govt Bond						
	Dec 91	93.62	93.43	93.28	93.41	40
	Mar 92				93.70	
German Govt Bond						
Previous open interest: 21821	Dec 91	95.07	95.38	95.05	95.28	20
	Dec 91	95.07	95.22	95.05	95.22	20
Three month ECU						
Previous open interest: 5761	Dec 91	90.83	90.87	90.84	90.86	20
	Dec 91	90.83	90.87	90.84	90.86	20

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هكذا من الاصل

Graf suffers a semi-final defeat as the over-30s again take centre stage the US Open tennis championships

Navratilova crosses the gap

FROM ANDREW LONGMORE, TENNIS CORRESPONDENT IN NEW YORK

A RENDITION of the *Star Spangled Banner* precedes play every morning at the US Open. Today, *All Our Yesterdays* would be a more appropriate theme tune as Martina Navratilova joins Jimmy Connors in a celebration of the vigour of the over-30s.

Navratilova beat Steffi Graf 7-6, 6-7, 6-4 in the semi-final yesterday, her first victory over the German, the top seed, since she won her fourth Open title four years ago.

Maintaining the spirit of the occasion, she greeted victory with a fair imitation of the Connors war-whoop, but more than once during the two hours and ten minutes of a match that became increasingly desperate, she could have done with a touch of Connors's nerve as well.

Serving and volleying with the crispness of old, Navratilova dominated large parts of the match, yet she refused to take the direct route to victory. She came to within two points of it when serving for the second set at 5-3 and again at 6-5 in the tie-break after she had pulled back from 2-6, but the stalking continued until deep into the third set.

In the end, it was a richly deserved victory, which denied Graf her 50th career win on the tour and will deprive her of her position as No. 1 in the world.

"My serve let me down so badly," Graf said. "In the first set, I played awfully. I had some great shots in the second, but again, my serve let me down badly in the third set."

"Martina deserved her victory. She played a very sound match all along. She served very well and she made a lot of great lobs. Yes, I am really disappointed, but I have no excuse for my defeat. The way Martina played today, she could have beaten anybody."

Graf should have known what to expect. This was the fifteenth meeting between the two — Navratilova now leads 8-7 — and Navratilova has always played the same way. Perhaps, like so many other players over the past year, she had consigned the nine-time Wimbledon champion to the past.

By the time the Wimbledon champion realised she was in a match, Navratilova had taken the first set, pinning Graf to the back of the court, serving inspirationally and picking off the volleys with calm assurance. It could have been Navratilova circa 1984, certainly no relation to the player who had stumbled through Wimbledon just two months ago.

She has changed her service action since then and, for the most part, it held up well, rather better than Graf's. Both served four double-faults, five of them coming in four games, all breaks of serve, in the heart of the final set when nerves were beginning to become frayed.

Navratilova led 3-0, 4-1 and 5-3, forcing Graf to pass at every opportunity, but saved a break point with an ace as she served for the match and took her first match point when Graf netted a backhand.

"I couldn't get to a match point. I let it go here two years ago in the final, but I didn't let it go here today. I used to," Navratilova said.



Driven to defeat: Graf tries to hold the challenge of Navratilova yesterday

Ruthless streak that still gives Connors an edge

HE WAS a mother's boy, with the classic mother's-boy paddling-basin haircut. His mother used to scream "Connors Jimbo!" He was the son of one of the primordial Tennis Parents. Now Jimmy Connors is the hottest ticket in New York, at the age of 39. And he is loving it.

Connors looked set to play one of those cameo roles you get at tennis tournaments, the player who lights up the first week but now he is into the last weekend, through to the semi-finals, which take place today.

In his latest match, against Paul Haarhuis, a kind of Caribbean Dutchman, Connors played like the West Indian cricket team: once the thin end of the wedge has been inserted, wickets tumble, or in tennis terms, the game plans crumble. Haarhuis showed a moment of weakness in the second set, and Connors was at his throat.

"His head dropped, his stride changed," Connors said. "He missed balls he'd been getting before. He had an unbelievable hulk. Once that happens, you get into him." The sight of a tennis player in trouble stimulates Connors as the sight of a wounded bird does a cat. He cannot help himself.

And murderous Connors is clearly having the time of his life. Parity, he loves the improbability of it. "Before, I was supposed to do it. Now I'm 39, I'm not supposed to, and I'm beating some of the best players in the world."

But more than anything else, he loves just being there, playing tennis, and winning. He really does seem to love the ruthless physical and emotional examination that grand slam tennis can provide. Of course he wants to win. If he lost, he wouldn't be able to play in the tournament any more.

And Connors is playing extremely well. You ask Connors, "The hell looked like a basketball to me," he said after defeating Haarhuis. "I just didn't have to do anything special. I just let the ball tonight as well as I've ever seen it."

He now plays Jim Courier, one of the young bucks of

American tennis. "It's not a matter of figuring out his game," Connors said. "It's more a matter of figuring out how I'm feeling. He knows I won't give up, and that is something that puts a lot of pressure on my opponents. It's a mind game."

I have never yet seen a fat lady sing at the climax of a sporting occasion, but all the same, she is the great cliché of American sporting life. Connors has dedicated his own sporting life to frustrating her efforts to give voice. Every point in tennis is a small duel, and Connors's best weapon is his stare for the first.

This is not the case with poor old, or poor young, Pete Sampras, the defending champion, who was only 19 when he won last year. The youngest US champion ever. This year he lost, and did so abjectly, to Courier.

"I'm very disappointed that I lost," he said, "but there was a lot of pressure involved. Now I won't have to be that thing that everyone was talking about and looking at and criticizing. It's over, it's done with, and now I can just go back to being myself."

Connors was outraged: "You cannot be relieved at not being US Open Champion! That's what you want to be. Don't talk to me about that!"

Most of the young bucks on the tennis circuit come from an adolescence of total tennis immersion. They have the usual ghastly Tennis Parents, just like Jimbo. And when they come to the time of self-discovery, they question tennis, they get fed up with game and the pressures. They want to become their own person and make their own choices.

Jimmy Connors is a grown-up, his own man. He makes his own choices, and his decision is that what he likes most in the world is the playing of high-stakes tennis matches. He is the only player at the entire tournament who is there because he, and he alone, wants to be?

RUGBY LEAGUE

Hanley's transfer sealed on deadline

By KRITH MACKLIN

THE Ebbw Vale side had happily yesterday only minutes before the 5pm transfer deadline. After a day of apparent stalemate, Wigan and Leeds came to an agreement at such a late hour that the Leeds club had to send the registration forms by facsimile machine to the Rugby Football League headquarters just down the road.

A relieved Leeds chairman, Alf Davies, said: "I am delighted that it's all over at last, and we can now get on with our season."

In order to achieve the dramatic eleven-hour agreement, Wigan agreed to lower their demand for £300,000 compensation for the out-of-contract Great Britain captain, while Leeds agreed to increase their offer of £200,000. No precise figure was released.

Hanley will play straight into the Leeds side for the home game with Hull tomorrow and his presence is expected to bring an attendance of between 20,000 and 25,000 spectators.

The Headingley club, having lost their opening game at Wigan last week, will now expect to record their first win of the season against a Hull team still without several key players through injury.

Wigan themselves cannot be sanguine about the transfer. Davies, Wigan's manager, said: "In addition to the loss of Hanley they are without two other international forwards in Platt and Lucas. After their heavy defeat at Castleford last week, they will feel uneasy facing Wigan side which is intent on revenge for last season's championship beating."

Castleford, who have again emerged as early contenders for the title, visit newly-promoted Salford. Both St Helens and Warrington started the season with victories and the match at Knowsley Road should provide St Helens with another win to boost their hopes of mounting a genuine championship threat this season.

The Rugby Football League yesterday virtually killed off all links with the British Amateur Rugby League Association (BARLA). It launched its own national coaching scheme, in opposition to that of BARLA, and it excluded amateur clubs from the preliminary rounds of the Regal Trophy and Silk Cut Challenge Cup.

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Selkirk benefits from Balding's script

By RICHARD EVANS RACING CORRESPONDENT

HORSES are often laid out by trainers for specific races, but Ian Balding profited yesterday from turning the idea on its head and designing a race specifically for one of his string.

Selkirk showed markedly improved form following the centennial of a painful temple to win the Milcres Temple Farm Stakes impressively in a fast time at Kempton Park.

The conditions for the day's feature race, which excluded penalties for winning a weight-for-age, listed or pattern race the previous season, were suggested by Balding back in 1987 with

Forest Flower in mind. The leading two-year-old filly of 1986 was difficult to place the following year due to penalties incurred for her two-year-old group success.

Mike Webster, clerk of the Stewards' course, explained: "Ian came to us with Forest Flower in mind saying it would be difficult to find a race for the filly in the autumn. We asked him to write out conditions for a suitable race and, provided they made sense, we said we would do it."

Ironically, Forest Flower failed to run in "her" race due to training problems but Selkirk, who incurred no penalty for a listed race success last year,

fitted the script prepared by Balding. The Kingsclere trainer has always regarded the Sharpen Up colt highly but he has proved slightly disappointing this season, fading at the end of races, which appeared to be at his mercy.

Selkirk has always been a rig, with one-tenth higher than the other, and following a recent defeat at Newcastle and sweating at home, the higher-tensile was removed.

"It was in a canal where I think it could get pinched. I had a feeling it was worrying him and our vet took it out three weeks ago. He has been a different horse since then."

Balding explained. Ray Cochrane, who swept past Sursurration a furlong out before winning by five lengths, told the trainer: "You were right. He was a different animal today."

Selkirk may now run in the Queen Elizabeth II Stakes at Ascot on September 28 and could spring a surprise. Walter Swinburn must have felt he was going backwards on Sursurration given the winner's burst of acceleration, but he soon gained compensation when Perfect Circle accelerated clear in the Milcres Filly Stakes.

The victory provided the affable 30-year-old jockey with

the 1,000th domestic of his career. His first winner, 13 years ago, was on Paddy's Luck at Kempton.

Perfect Circle received a 25-1 quote for next season's 1,000 Guineas and is well regarded by Michael Stoute, who intends to run the Caerleon filly in group company next time.

Balding received a similar offer for the 2,000 Guineas after overcoming greyness and showing a fine burst of speed to win the Milcres Cherley Lock Stakes.

The half-brother to Shadayid, whose name means shaviness, is sure to improve considerably following a winning debut and could be decidedly useful.

Hector Protector to top bill

FROM OUR FRENCH RACING CORRESPONDENT, PARIS

CLASSY three-year-old Hector Protector attempts to keep his French record intact — he has one of his nine races there — in the Emirates Prix du Moulin de Longchamp tomorrow.

It will be Hector Protector's final race in France and may be his last in Europe before bowing out in the Breeders' Cup at Churchill Downs.

Freddie Head's mount is opposed by a plethora of useful milers in the £91,650 group one event including his stable companion Priolo (Gerald Moss), Lycius (Steve Caubert) and the British-trained trio of

Bold Russian (Pat Eddery), Skizston (Michael Roberts) and Mukaddamah (Willie Carson). Added spice is provided by the presence of Primer Amor (Ray Cochrane), a dual group one winner in Spain.

The supporting card includes the winner of the 1990 French 2,000 Guineas, the £50,916 Prix de la Salamandre over seven furlongs. The winner of his last four races, Arzei (Gerald Moss) will start at cramped odds to give Francois Boutin his third successive win in the race. Although most potential local

rivals have been scared off, three British two-year-olds, Made Of Gold, Miss Etnelbird and Colordale, are taking on the crack French two-year-old.

Barry Hills, Colorific's trainer, has much more substantial prospects of making the winner's endnote after the group three Prix Chateauroux where he saddles Further Flight (Michael Hills).

The five-year-old stayer is on a retrieving mission in France following his disqualification after passing the post in last month's Prix Kergorlay at Deauville.

SOUTHWELL

MANDARIN 2.30 Croft's Cline, 3.00 Roly Wallace, 3.30 Sharp Anne, 4.00 Wren Vermont, 4.30 My Polished Corner, 5.00 Tormin, 5.30 Geriucut.

THUNDERER 2.30 Charned Kneave, 3.00 Up the Punjab, 3.30 Sharp Anne, 4.00 Wren Vermont, 4.30 Touching Times, 5.00 Rive-Jumelle, 5.30 Star Of Aubion.

GOING: GOOD TO FIRM DRAW: 6F-7F, LOW NUMBERS BEST

2.30 HDL DISTRIBUTION HANDICAP (22,752: 7f) (10 runners)

1 301 CARTEL 5 (P) J Home 4-10 (Bred) ... D Williams (7) 2 302 ORIENT AIR 34 (CO) P Barm 5-6 ... J Corrie (12) 3 303 CRYSTAL 11 (P) J Barry 4-10 ... J Corrie (12) 4 304 OR YEA 50 (P) R Williams 4-4 ... D Day (11) 5 305 LANTANA 12 (P) J Barry 4-10 ... J Corrie (12) 6 306 SUFFRAN'S SECRET 28 (P) J Barry 4-10 ... J Corrie (12) 7 307 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 8 308 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 9 309 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 10 310 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

3.00 MAYFAIR SELLING STAKES (2-Y-O: £2,853: 7f) (10)

1 3216 ROLY WALLACE 8 (P) J Barry 4-10 ... D Williams (7) 2 3217 VICTOR ROMEO 22 (P) W Parnes 3-4 ... D Williams (7) 3 3218 NO KINGS BEST 21 (P) J Barry 4-10 ... J Corrie (12) 4 3219 CRYSTAL 11 (P) J Barry 4-10 ... J Corrie (12) 5 3220 FLASH 21 (P) J Barry 4-10 ... J Corrie (12) 6 3221 FLASH 21 (P) J Barry 4-10 ... J Corrie (12) 7 3222 FLASH 21 (P) J Barry 4-10 ... J Corrie (12) 8 3223 FLASH 21 (P) J Barry 4-10 ... J Corrie (12) 9 3224 FLASH 21 (P) J Barry 4-10 ... J Corrie (12) 10 3225 FLASH 21 (P) J Barry 4-10 ... J Corrie (12)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

3.30 AVONHOLT HANDICAP (22,447: 6f) (14)

1 4236 SAMSON 15 (P) J Barry 4-10 ... D Williams (7) 2 4237 HADRON 28 (P) J Barry 4-10 ... J Corrie (12) 3 4238 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 4 4239 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 5 4240 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 6 4241 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 7 4242 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 8 4243 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 9 4244 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7) 10 4245 SALLY'S SON 49 (P) W O'Grady 4-6 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

4.00 BLACKFRIARS MAIDEN STAKES (Div 1: 2-Y-O: £2,508: 7f) (12)

1 0002 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 2 0003 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 3 0004 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 4 0005 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 5 0006 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 6 0007 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 7 0008 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 8 0009 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 9 0010 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 10 0011 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 11 0012 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 12 0013 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

4.30 CHELSEA CLAIMING STAKES (3-Y-O: £2,528: 1m 4f) (11)

1 3301 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 2 3302 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 3 3303 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 4 3304 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 5 3305 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 6 3306 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 7 3307 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 8 3308 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 9 3309 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 10 3310 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7) 11 3311 TOUCHING TIMES 10 (P) J Barry 4-10 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

5.00 LAMBETH HANDICAP (23,056: 1m 3f) (15)

1 0012 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 2 0013 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 3 0014 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 4 0015 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 5 0016 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 6 0017 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 7 0018 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 8 0019 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 9 0020 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 10 0021 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 11 0022 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 12 0023 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 13 0024 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 14 0025 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7) 15 0026 ANITA 21 (P) W O'Grady 4-6 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

STRATFORD

MANDARIN 2.15 That There, 2.45 Primitive Singer, 3.15 Deep Dark Dawn, 3.45 Lysimachia, 4.15 Tartan Trademark, 4.45 Timid, 5.15 Great Gusto.

THUNDERER 2.15 That There, 2.45 Primitive Singer, 3.15 Deep Dark Dawn, 3.45 Lysimachia, 4.15 Tartan Trademark, 4.45 Timid, 5.15 Great Gusto.

GOING: GOOD TO FIRM

2.15 BLACK PRINCE CONDITIONAL JOCKEYS SELLING HANDICAP HURDLE (21,643: 2m 6f) (10 runners)

1 2201 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 2 2202 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 3 2203 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 4 2204 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 5 2205 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 6 2206 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 7 2207 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 8 2208 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 9 2209 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7) 10 2210 MURFILL VILLAGE 7 (P) S Day 5-12 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

2.45 LADY GODIVA JUVENILE NOVICES HURDLE (22,087: 2m) (17)

1 1011 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 2 1012 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 3 1013 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 4 1014 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 5 1015 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 6 1016 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 7 1017 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 8 1018 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 9 1019 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 10 1020 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 11 1021 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 12 1022 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 13 1023 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 14 1024 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 15 1025 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 16 1026 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 17 1027 KENTLAND (H) P J Barry 4-10 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

2.45 LADY GODIVA JUVENILE NOVICES HURDLE (22,087: 2m) (17)

1 1011 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 2 1012 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 3 1013 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 4 1014 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 5 1015 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 6 1016 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 7 1017 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 8 1018 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 9 1019 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 10 1020 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 11 1021 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 12 1022 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 13 1023 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 14 1024 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 15 1025 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 16 1026 KENTLAND (H) P J Barry 4-10 ... D Williams (7) 17 1027 KENTLAND (H) P J Barry 4-10 ... D Williams (7)

4.1 African Chimes, 5.1 Charned Kneave, 6.1 Pinstrip, 7.1 Carter, Croft's Cline, 8.1 Orient Air, 10.1 Cee-Jay, 14.1 others.

2.45 LADY GODIVA JUVENILE NOVICES HURDLE (22,087: 2m)

Essex are in pole position for the run-in to the title

By ALAN LEE
CRICKET CORRESPONDENT

CHELMSFORD (final day of four): Essex (23pts) beat Derbyshire (4) by an innings and 72 runs

THE county championship became effectively a two-horse race, shortly before noon yesterday. Derbyshire, succumbing to the inevitable after more than an hour of spirited defiance, have left the stage clear for Essex and Warwickshire to scrap over the £44,000 winners' cheque in what could be a tense final fortnight of the season.

It may, however, not last that long. Warwickshire, who set the pace for so much of the summer, have given way at a psychologically bad time and if they fail to beat Northamptonshire at Edgbaston next week, Essex can secure the title by winning at Leicester.

Any other permutation of results would carry the fight into the last round of fixtures, in which Warwickshire visit the probable wooden spoons, Somerset, and Essex, ironically, are at home to the outgoing champions, Middlesex.

If it comes to such a climax, it is unlikely that Middlesex will find themselves confront-

Essex	P	W	L	D	NS	Pts
Essex	23	1	0	0	0	47
Derbyshire	4	0	1	0	0	8
Warwickshire	17	1	1	0	0	35
Northamptonshire	17	1	1	0	0	35
Somerset	17	1	1	0	0	35
Gloucestershire	17	1	1	0	0	35
Nottinghamshire	17	1	1	0	0	35
Middlesex	17	1	1	0	0	35
Leicestershire	17	1	1	0	0	35
Surrey	17	1	1	0	0	35
Hampshire	17	1	1	0	0	35
Worcestershire	17	1	1	0	0	35
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- RUGBY UNION 31
- RACING 32, 33
- CRICKET 34

Now Connors understands how Rosewall felt



Singular ambition: Connors celebrates victory yesterday

FROM ANDREW LONGMORE
TENNIS CORRESPONDENT
IN NEW YORK

JIMMY Connors, of all people, will not need reminding what happens to those who stray too far from their era. In 1974, Connors won his first US Open title, beating Ken Rosewall in the final at Forest Hills on grass. Rosewall was two months short of his fortieth birthday and won two games. At Wimbledon the same year, also against Connors, he had won six.

Connors was 22 then and I doubt very much if one fleeting moment of sentiment clouded his brash young thoughts. Rosewall was a gentle artistic remnant of the amateur days and Connors the hard face of professionalism. That was the way of the world. Rosewall would have been neither expected nor felt.

Today, in one of those neat ironic circles which sport likes to

draw, the 39-year-old Connors becomes Rosewall, the relic, and his semi-final opponent, Jim Courier, turns Connors, the harbinger. They even have the same initials: James Scott Connors and James Spencer Courier. If Connors wins and then beats either Ivan Lendl or Stefan Edberg in tomorrow's final, he would become the oldest winner of the US Open title.

Courier is 21 and, like Connors 17 years ago, has enjoyed a brief whiff of success this year in winning the French Open title and is desperate to fill his lungs, even at the expense of his long-time hero. "I just wanted to play the big guys, Connors and McEnroe, before they retired so that I could tell my grandchildren," Courier said.

Seeded four, Courier is several classes higher than Connors's five victims so far. He hits the ball ferociously hard from the baseline and, as he showed in defeating Pete Sampras in the quarter-final,

can match serves with the best. Connors could be overwhelmed, for once he made to feel his age.

Yet Connors's quarter-final victory over Paul Haarhuis brought a new dimension to a story that has already sent the Open's television ratings into orbit and rekindled so many lost youths that a tournament doctor issued a national health warning yesterday, lest middle-America collapses with collective cardiac arrest. Ringside seats for the match were selling on the streets for \$2,000 and Connors managed to keep 20,000 people in them for nearly three hours. Even the Duchess of York, watching from the players' enclosure, was outstared.

But, one point apart, what they got for their money was not the miraculous recoveries against Patrick McEnroe or Krickstein, nor even a stock-in-trade tirade against the umpire. Just a routine victory by the better player. "Is it

for real?" Connors asked in the press conference afterwards. Most certainly.

As Connors overcame a slow start to outwit and outmanoeuvre Haarhuis, who had beaten Boris Becker and John McEnroe on this court, to win 2-6, 7-6, 6-4, 6-2, it ceased to be fantasy and became reality, the reality, not of a 39-year-old beating a man 14 years his junior, not of a once great champion rolling the dice one last time, not of a player ranked 174th in the world getting to the semi-final of a grand slam, but of a top-class player seeing the ball, in his own words, like a "basketball", reaching his fourteenth US Open semi-final and enjoying every minute of it. "I was not bothered by the crowd," Haarhuis said. "I was bothered by Connors. He played too good for me."

All the drama of the match was shoehorned into one point. With Haarhuis serving at 5-4 to take a

two-set lead, Connors hoisted four desperate lobs before driving a backhand pass beyond the reach of the Dutchman. The stadium erupted, Connors broke back, won the tie-break and sailed for home.

This weekend, Connors will have the odds stacked against him. Because CBS will want him in prime time tonight, he will have to play twice in 24 hours to win his sixth title. It is one of the many absurdities of the Open but Connors understands the rules, helped frame them, in fact. Then there is Courier, the epitome of the modern player. The Connors of the Nineties. "It's a different game now," Connors said. "It's a power game and I'm not sure I like it. Things go too fast." For a moment, he sounded just like Rosewall.

Simon Barnes, page 32
Narrativa victory, page 32
Results, page 32

Cruel injury robs Nicholas of Lord's place

Gower steps up to lead Hampshire in NatWest final

By ALAN LEE, CRICKET CORRESPONDENT

DAVID Gower, for much of this summer a lost soul suffering agonies of doubt over his future, dramatically takes over the Hampshire captaincy today for the most important one-day match in the club's history.

Authority has been thrust upon Gower in the saddest of circumstances, injury ruling out his close friend, Mark Nicholas, but in leading Hampshire into their first 60-overs cup final, against Surrey at Lord's, he is presented with a surprising new chapter for a career which appeared to be purposelessly tailing off.

Gower was nominated by Nicholas, the man who brought him to Hampshire last year. Hampshire have had no appointed vice-captain this

year and Nicholas's injury left few candidates for the job. Paul Terry has previously been unhappy with such responsibility and Gower, whose vast experience is not always matched by his concentration, may well benefit from it. "He was much the best man for the job," Nicholas said.

The decision was announced to the players during a meeting at Lord's yesterday, after which Gower gave a team talk and, significantly, insisted upon a full net session.

"I am very sorry for Mark," he said later, "but I am now quite excited by the challenge and trying to stress positive thoughts to all the players. In my only previous cup final, I

captained the winning side. I hope that is an omen."

Gower's "new life" with Hampshire has not been all either he or the club had hoped. This season, indeed, he has not made a single century and he came close to being dropped during June. He has pondered retirement, though not seriously, and is well aware of owing a debt.

"If I could play a big innings and help win the Trophy for Hampshire, it would be marvellous," he said. "No-one is more aware than me that I have not made the runs I should have done."

Nicholas, captain of the county since 1983, finally accepted only yesterday morning that his dream of leading Hampshire in a NatWest Trophy final had, indeed, been shattered by the blow on the hand he received from Waqar Younis, of Surrey, on Thursday.

Despite a broken little finger on his left hand, Nicholas had been considering playing with pain-killing injections. However, a third visit to hospital revealed that the knuckle bone was also fractured, enough to ensure that his season is over.

Putting a remarkably brave face on his heartbreak, Nicholas said: "There must be a reason for it. After four losing semi-finals as captain, I had finally got there - and now this. It has been a tough year for me and if I sound cheerful now, it will probably be very different at nine o'clock in the morning."

"I will get changed and go out to the middle with David. Then I will hand over to him and probably find a quiet corner to have a cry."

Nicholas added that he would be spending last night at the theatre, trying to forget his sadness. The last time Gower captained a big match at Lord's, it may be remembered that he did something similar. Tonight, however, he may have a celebration to share with Nicholas.

Cup final preview, page 34
Essex march on, page 34

England call Wright for German game

IAN Wright, the Crystal Palace football player, was yesterday called into the England squad for the international match against Germany at Wembley next Wednesday.

He replaces David Hirst, of Sheffield Wednesday, who was injured playing against Notts County in midweek.

Wright, who joins his club colleagues, Geoff Thomas and John Salako, in the squad, has still to score his first international goal after four England outings.

Rudi Voller, the forward, and Thomas Helmer, the libero, pulled out of the German side yesterday. Voller has strained knee ligaments, while Helmer was not fit for Borussia Dortmund's league game last night because of muscle strain.

First division preview, page 35
The rise of Salako, page 35
Today's fixtures, page 31

Americans withstand a bold rally

FROM MITCHELL PLATT
GOLF CORRESPONDENT
IN PORTMARNOCK

GREAT Britain and Ireland yesterday yielded the Walker Cup to the United States after a valiant effort to swing the match in their favour had petered out towards the end of a glorious, sunny afternoon.

The Americans secured their 29th victory in 33 matches when David Eger, a reinstated amateur, overcame Padraig Harrington 3 and 2 at 5.38pm, and they went on to win by the comfortable margin of 14-10.

Nevertheless, the amateur players of Great Britain and Ireland are to be highly commended for their strength of character following the opening foursomes series on Thursday, which left them trailing 4-0, and they were still 8-4 behind after Thursday's singles.

However, they won 3-1 in the second series of foursomes yesterday morning. So the stage was set for a final afternoon of high drama with five points needed from the eight singles to tie the match and retain the cup.

For more than two hours, it appeared that they might prevail against the odds, especially as Jim Milligan, the hero of their win at Atlanta two years ago, edged ahead of Phil Mickelson. It was widely accepted that if Milligan could topple the inspirational Mickelson in the first of the singles, then that might send ripples of doubt back through the American ranks.

Mickelson had had little time for lunch, for his foursomes match ended only ten minutes before he was due out. He was given five minutes' grace.

Milligan excelled himself with an outstanding effort that captured the imagination of the shirt-sleeved thousands. Their appreciation of Mickelson's talent was outweighed by their admiration for his courageous opponent. Five holes were exchanged before Mickelson reached the turn with a one-hole advantage.

Then Milligan came back by holing from 20 feet for a birdie at the 10th and by winning the next moved in front for the first time. Mickelson, however, provided ample evidence of his immense talent when he struck his tee shot two feet from the hole at the 12th. It was the kind of lightning



Rallying point: White and McGilley celebrate victory over Mickelson and May before Britain's fall yesterday

response guaranteed to rattle any rival, although, to his credit, Milligan refused to submit.

Indeed, Mickelson was required to conjure another stroke of excellence at the 17th, when with a six-iron he set up another birdie chance from five feet which he holed to level the match. By then, Franklin Langham had gained a point for the United States and Jim Payne had won for Europe by beating Allen Doyle 3 and 1.

The prospect of Milligan escaping gathered pace when Mickelson went through the

green, but the American played such a marvellous recovery that the Scot knew he had to hole from 11 feet. He struck the putt with authority, but the ball agonisingly turned to the right of the hole. Mickelson composed himself, holed a putt of only two feet, and with that sounded the death knell for Great Britain and Ireland.

Ricky Willison encouraged the tail to wag when he gathered three birdies in five holes from the 12th to beat Tom Scherrer 3 and 2. Garth McGimpsey, however, fell to Bob May, of whom much will be heard, and James R.

Gabrielsen, the US captain, was able to congratulate his team members once Eger, three down after six holes, had completed a fine recovery against Harrington.

Gabrielsen said: "Phil Mickelson's win was a tremendous boost in the afternoon after we had such a rough morning. I'm extremely proud of the way we came back in the singles."

George Macgregor, the Great Britain and Ireland captain, admitted: "We just didn't finish. With nine holes to go, I still felt we had a chance, but when Mickelson produced that winning birdie

at the 17th, it had a domino effect."

Macgregor, however, was full of admiration for the way his players had come back in the morning foursomes, when Paul McGinley's last shot as an amateur which was one he will not easily forget. He hit a sand-wedge from 110 yards to within nine feet of the hole, and it proved good enough for him and Liam White to beat Mickelson and May by one hole. McGinley did not play in the afternoon singles, but he can move on to the professional ranks a happy man.

European adventure, page 35

Time for captain to hide his tears

FROM PATRICIA DAVIES IN PORTMARNOCK

THE tension and the excitement and the effort of the last few days all drained out of George Macgregor, the Great Britain and Ireland Walker Cup captain, as he hugged Jim Gabrielsen, the victorious US captain, on the 18th green yesterday, then buried his head in the American's shoulder, to hide his tears.

Macgregor, who beat Gabrielsen when GB and I won at St Andrews in 1971, contrasted the disappointment of losing to the elation of winning in '71.

"That's the best comparison I can make," the normally unemotional Scotsman said. "My boys are obviously disappointed but at the end of the day I suppose the better team won. At least we made a match of it after the first morning."

"Up through the turn I felt very confident that we were going to come through, or at least get the draw, but the

Americans turned out to be that bit better."

"It all changed when Phil Mickelson [in the top match] had yet another birdie at the 17th. That seemed to have a domino effect."

Gabrielsen also saw Mickelson's one-hole victory over Jim Milligan as crucial and added: "Franklin Langham [who was quickly four up on Gary Evans] was also a key match. We'd had a rough morning and it was important that we got someone out of the traps quickly in the singles."

"As captain, you can't do anything except be nervous. My heart was beating fast for a while but now I'm elated, just delighted, and so proud of my players."

"We badly wanted to win back the Walker Cup and we worked hard for it."

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